

COUNCIL MEETING

APRIL 8, 2015

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, April 8, 2015 at 9:01 a.m., after which the following members answered the call of the roll:

Honorable Mason K. Chock
Honorable Gary L. Hooser
Honorable Ross Kagawa
Honorable Arryl Kaneshiro
Honorable KipuKai Kuali'i
Honorable JoAnn A. Yukimura
Honorable Mel Rapozo

APPROVAL OF AGENDA.

Councilmember Kagawa moved for approval of the agenda as circulated, seconded by Councilmember Kuali'i.

Council Chair Rapozo: For your information, at 1:30 p.m. we will have a certificate presentation, followed by the public hearing and Resolution No. 2015-37, so that item will be taken up right after the public hearing.

The motion for approval of the agenda as circulated was then put, and unanimously carried.

MINUTES of the following meetings of the Council:

March 11, 2015 Public Hearing re: Bill No. 2577, Bill No. 2578, and Bill No. 2579
April 1, 2015 Public Hearing re: Bill No. 2581

Councilmember Kagawa moved to approve the Minutes as circulated, seconded by Councilmember Yukimura, and unanimously carried.

CONSENT CALENDAR:

C 2015-87 Communication (02/27/2015) from the Acting Director of Finance, transmitting for Council information, the Period 5 and 6 Financial Reports – Detailed Budget Reports, Statements of Revenues (Estimated and Actual), Statements of Expenditures and Encumbrances, and Revenue Reports as of December 31, 2014, pursuant to Section 21 of Ordinance No. B-2014-781, relating to the Operating Budget of the County of Kaua'i for the Fiscal Year 2014-2015.

C 2015-91 Communication (03/06/2015) from the Acting Director of Finance, transmitting for Council information, the Period 7 Financial Report – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of January 31, 2015,

pursuant to Section 21 of Ordinance No. B-2014-781, relating to the Operating Budget of the County of Kauaʻi, for the Fiscal Year 2014-2015.

C 2015-109 Communication (03/12/2015) from the County Engineer, transmitting for Council consideration, a Resolution Eliminating Left Turns From Hardy Street Onto Kūhiō Highway, Līhuʻe District, County of Kauaʻi, to work in conjunction with the State of Hawaiʻi Department of Transportation's Līhuʻe Mill Bridge and highway widening project to remove unsafe, inefficient traffic movement.

C 2015-110 Communication (03/18/2015) from Councilmember Chock, providing written disclosure of a possible conflict of interest and recusal, relating to the Comprehensive Economic Development Strategies (CEDs) – Keiki to Career Workforce Readiness appropriation in the Office of Economic Development, Fiscal Year 2015-2016 Mayor's Operating Budget Submittal, as he is on the Leadership Council for the Keiki to Career – Workforce Readiness initiative.

C 2015-111 Communication (03/18/2015) from the Director of Finance, transmitting for Council information, the Period 8 Financial Report – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of February 28, 2015, pursuant to Section 21 of Ordinance No. B-2014-781, relating to the Operating Budget of the County of Kauaʻi, for the Fiscal Year 2014-2015.

C 2015-112 Communication (03/19/2015) from the Director of Finance, transmitting for Council information, the Condition of the County Treasury Statement quarterly report as of February 5, 2015.

C 2015-113 Communication (04/01/2015) from Council Chair Rapozo, transmitting for Council consideration, a Resolution Opposing House Bill No. 321, As Amended, Relating To Medical Marijuana, And Senate Bill No. 879, As Amended, Relating to Marijuana.

Council Chair Rapozo: Before we take the motion, Felicia, did you want to testify on the Resolution? It is not going to come up until 1:30 p.m., but we do have a communication that you can testify on now if you wanted to. I would ask for a motion to receive C 2015-87, C 2015-91, C 2015-109, C 2015-110, C 2015-111, and C 2015-112 at this time.

Councilmember Chock moved to receive C 2015-87, C 2015-91, C 2015-109, C 2015-110, C 2015-111, and C 2015-112 for the record, seconded by Councilmember Kualī'i, and unanimously carried.

Councilmember Kualī'i moved to remove C 2015-113 off of the Consent Calendar, seconded by Councilmember Chock, and unanimously carried.

C 2015-113 Communication (04/01/2015) from Council Chair Rapozo, transmitting for Council consideration, a Resolution Opposing House Bill No. 321, As Amended, Relating To Medical Marijuana, And Senate Bill No. 879, As Amended, Relating to Marijuana: Councilmember Kualī'i moved to receive C 2015-113 for the record, seconded by Councilmember Yukimura.

Council Chair Rapozo: Thank you. At this time, I will suspend the rules with no objections. Felicia, you may come up to testify.

There being no objections, the rules were suspended.

FELICIA COWDEN: I am Felicia Cowden. Thank you. I would like to put a quick testimony in regarding the medical marijuana dispensaries. I do not smoke pot or drink alcohol, so it is not coming from a personal need, but it seems to me that we are well beyond the time for this to be available. There are many people who have needs that are not in the position to be farming it. It seems that alcohol is readily available all over the place and pharmacies are out there, and I see more destruction and problematic behavior out of drinking and pharmaceuticals. We have more deaths—I do not know if we actually have any deaths from marijuana. I think it is well beyond time for this to be available. It seems, if I recall correctly, twelve (12) years that it has been legal for people to have medical marijuana. I think that the County should not do something to block what the State is putting forward. I do hope that the counties can be part of the taxation or whatever comes out of it, that is positive. I think things can be adapted, but I would like to see it not be problematic, where people have a hard time getting what they need. Many people are very sick and they are not in the space to be able to be farming and creating oils out of what they get out of their yard. Thank you.

Council Chair Rapozo: Thank you. Are there any questions? I have one.

Ms. Cowden: Sure.

Council Chair Rapozo: I will be doing a presentation later, but I think it is important that the public understand—I do not know if you are aware of the numbers, and I do not expect you to know this Felicia and I do not expect anybody to know this, but I think it is important that people do. The number of people that actually do not have access, the medical marijuana card holders—Are you aware of how many people as of December or 2014, self-reported...how many of the people on Kaua'i are not able to access marijuana?

Ms. Cowden: I know plenty of people who have those blue cards and they grow it, but to me, honestly they look healthy enough to grow it.

Council Chair Rapozo: Right.

Ms. Cowden: I am concerned about the people who are not healthy enough to grow it.

Council Chair Rapozo: Okay. Let me just give you the number. Again, this is not "Mel's number," this is the State's numbers. On Kaua'i, there are one thousand nine hundred forty (1,940) people with the card. Out of the one thousand nine hundred forty (1,940) people—this is self-reported now; it is not an estimate, but six (6) people are not able. In fact statewide, ninety-seven percent (97%) of the card holders have a source. I think that is vital because the State is using that as the reason the legislation is required.

Ms. Cowden: Can I call that into question, though?

Council Chair Rapozo: Yes.

Ms. Cowden: Many people need the oils and they do not really want their two (2) year old who is having seizures to be smoking pot or something like that.

Council Chair Rapozo: These are all the cardholders. Regardless if it is oil, the actual marijuana, or whatever it is, those are the actual numbers that were reported. Again, it is self-reported, so this was not...

Ms. Cowden: It is self-reported and maybe they do not have a card if they are two (2) years old. I am not an expert on it; I am acknowledging that. I am just looking at the overall trend and I know that there is something saying that the Tetrahydrocannabinol (THC) levels are going up, but it has not been evident to me, as just a person in the community, that I am seeing problematic behavior.

Council Chair Rapozo: I would agree. I am just saying that the State's justification for this...I call in question. That is all, based on statistics and facts, and not assumptions. Thank you.

Ms. Cowden: Thank you. It will come back up at 1:30 p.m., yes?

Council Chair Rapozo: Yes, right after the public hearing at 1:30 p.m. Thank you, Felicia.

Ms. Cowden: Okay. Thank you.

Council Chair Rapozo: Anyone else? Mr. Taylor.

KEN TAYLOR: Chair and Members of the Council, my name is Ken Taylor. I am opposed to this Resolution because if you look back to 1972 when the drug war was declared, since then we have spent billions and billions, and billions of dollars and have not taken care of any problem at all. In fact, I just recently read that in New York City, heroin was making a comeback, where the use has been going down for quite some time. When we do not regulate these things and put them in proper perspective where they can be taken—if people want them...I have never used any of it and never intend to, but there are people out there that are willing to do it. When you put it underground, it costs more and creates bigger problems, because now people cannot afford it, so they go out, steal, and do all kinds of things, so that they can afford their habit. I believe there are ways of legalizing it and putting the burden on doctors that write the prescriptions, and the pharmacists who dispense it. You should take their license if they ignore the rules and regulations and put them in jail; two (2) groups of people that could be held responsible. Now what you are doing is putting the criminality out there. There is so much money to be made that these guys are willing to take a chance on selling, selling, and selling. I see people with piles of money, bags of money, because they are operating illegally. We are not collecting any taxes. We are spending millions of dollars keeping people locked up, especially for marijuana. It is absolutely ridiculous. It costs fifty thousand dollars (\$50,000) to sixty thousand dollars (\$60,000) a year to keep somebody in jail for taking a little weed. It is absolutely ridiculous. We need to put a stop to this, move forward, address it properly, and collect the taxes instead of spending tax dollars. Thank you.

GLENN MICKENS: For the record, Glenn Mickens. Thank you, Mel. Thank you, BC. I am not sure I understand this Resolution, but I am highly opposed to anything that has anything to do with legalizing drugs. I do not care whether it is marijuana, cocaine, or whatever it happens to be. We spend millions of dollars a year in educating our kids to leave drugs alone. If we do anything about legalizing—when they say “legalize,” if it is for medical purposes, like when you go to the doctor, he gives you a prescription, and you get whatever it happens to be...if you abuse it, which I hear kids today are abusing all kinds of drugs, they are getting whatever to be able to use for purposes, other than what the doctor prescribes it for. I am highly opposed to that. Does House Bill 321 oppose any marijuana for medical purposes?

Council Chair Rapozo: Glenn, the State is trying to pass a bill or law that will allow medical marijuana dispensaries to be able to operate in Hawai‘i. That is what it does. The medical marijuana is already legal here in Hawai‘i. That is done. This Bill does not try to take that away. It just allows or provides businesses to operate and have dispensaries to sell medical marijuana out of their businesses. That is what it does.

Mr. Mickens: Well, if medical marijuana is legal here in Hawai‘i, as I hear you say, then what is this Bill trying to do?

Council Chair Rapozo: Allow for dispensaries, so that people can set up dispensaries so that people with the medical marijuana cards can access marijuana at a store.

Mr. Mickens: Does a doctor give the people the cards?

Council Chair Rapozo: Yes. Are you going to be here at 1:30 p.m.?

Mr. Mickens: What?

Council Chair Rapozo: Are you going to be here at 1:30 p.m.?

Mr. Mickens: I have a ball game.

Council Chair Rapozo: I can talk to you offline because this is not about legalization of marijuana; it is about dispensaries.

Mr. Mickens: Right. I guess the biggest problem I see anybody having is the enforcement mechanism. I do not care what it is, what law or anything you pass; if the mechanism is not there for enforcement—I am not sure, whether the police or whoever is going to enforce this law, that we have enough people to be able to do it. Anyway, I will talk to you later, Mel. Thank you.

Council Chair Rapozo: Thank you. Anyone else in the audience wishing to testify? Discussion?

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: Thank you, Chair. I had wished that we could have had the community wait for 1:30 p.m., and I know Glenn has to leave, but part of the concerns come up from...I think some of the concerns will be

answered when we hear your presentation, as well as Representative Oshiro's presentation. The value of attending the Hawai'i State Association of Counties (HSAC) meeting is that I got to meet Representative Oshiro and we kind of hit it off, and he invited me for a discussion on this Bill. Part of the problem with this whole issue is that the Federal government recognizes marijuana to be an illegal drug. With that stance, the banks will have trouble giving loans to these dispensaries and what will happen is that there will be a lot of cash transactions that will be needed. Other problems include what we are seeing in Colorado or "follow Colorado because they are doing it and the people are getting the help that they need." Representative Oshiro actually went to Colorado, talked to officials there, told them what kind of bill is going to be passed at the Legislature or what is being considered at the Legislature, and the officials in Colorado said, "Hold on Hawai'i. Just wait a bit. There are a lot of problems that we are trying to work out. You are better off waiting until we solve our problems," because a lot of the problems are that all of the regulations that they are trying to do and in trying to please everyone is making the costs go up really high. Representative Oshiro is really close to that little girl, the highly publicized one—I think her last name is Kaneshiro...Maile Kaneshiro, who is a ten (10) year old girl. He said she would need, per week, the equivalent of like twenty-one (21) pounds of marijuana to produce that end result, the oils, that will not affect her mind and get her stoned like marijuana normally gets people, but because she is a young girl. It is all Genetically Modified Organisms (GMO), basically, and they take out the parts that will treat her pain, but yet not get her to not function. My whole fear in getting these dispensaries going is that I do not want to see us create these dispensaries and it creates a spike in use among our children and students. As a teacher, I know firsthand that when students are under the influence of marijuana, they do not function properly in school and it really hurts their abilities. So if any legislation is going to affect our students, I would say, "No, it is not good for the community." But I am not sure whether dispensaries will have that effect or not, but just listening to what Colorado is saying, "Hey, it is a good idea, but there are a lot of problems yet." Why does the State Legislature not just listen to what Colorado is saying and yes, "Okay, pursue it, but wait; not yet, maybe." Wait another year or maybe two, but at least wait until they have solved their problems. They are telling us to wait, but we are not listening. I have issues with that. I do not know why they warn you from another state that you are pointing to follow, where they are warning you to wait, but you still want to do it. I cannot understand that rationale. Like I said, my main concerns are the costs, so that a person does not have to be filthy rich to get their child the pain medication that they need to solve that problem that we really want to address for those six (6) people. If we pass a law for six (6) people, I want it to work for those six (6) people, but I do not want to just pass something and we are not sure if it is going to work because it could bring a lot more problems to the community. Thank you, Chair.

Council Chair Rapozo: Thank you. Any other discussion? I think the majority of the discussion will be had this afternoon, but I do want to say that Mr. Taylor brought up some really good points and the fact that regulation is vital, it is absent in this Bill. There is no restriction or regulation, as you said is required, Mr. Taylor, to what the potency of the marijuana should be. If you are calling it "medicine" and you are going to use it for medicinal purposes, I cannot support anything that does not have a limit to what the potency should be. You could grow a strain of thirty percent (30%) THC, which is entirely different than a potency of three percent (3%) THC, which is the psychotic component of marijuana. There are a lot of things and in my time today, I will only have twenty (20) minutes, so I will not have enough time to go through all of that, but what I will touch on is why the

State is trying to push this so quickly and why they are trying to get it done now without any exploration into what is happening in Colorado. Councilmember Kagawa is correct; they are advising us to hold off and not rush. There is not a need. Ninety-seven percent (97%) of the people who have cards have access to their medicine. I do support medical marijuana for certain conditions, but as you see later in my slides, you will see that most of the cardholders, the vast majority, are not living with a debilitating terminal illness or disease, and that is the other part that is a separate discussion. What I am saying is that we have to get some regulation that will control what our people are buying, like anything else. When you go to a pharmacy and get prescription medication, it has the dosage, side effects, potency, and all of those things. With this, you will not. You will have a bag of marijuana or some oil and you basically at the whim of the dispensary owner as to what is in it. To me, that is very irresponsible for the State to even go down that road; very, very irresponsible. Thank you. Councilmember Yukimura.

Councilmember Yukimura: For those of you who are saying “they” in Colorado, who in Colorado is urging not to move quickly?

Council Chair Rapozo: The Governor.

Councilmember Kagawa: I am talking about the government officials that Marcus approached, so I guess the State Department of Health or what have you over there.

Councilmember Yukimura: Are they saying to not move quickly to their situation where it is essentially legal or not even towards medical marijuana dispensaries?

Councilmember Kagawa: They said hold off on the dispensaries, yes.

Councilmember Yukimura: Specifically on the dispensaries, okay.

Councilmember Kagawa: Again, the cost of getting those oils that they need is really high and I do not know if there are too many regulations or what have you. They are not saying that it is a bad idea; they are just saying to wait because there are problems that they are trying to work out. They are saying, “Why not let us work out our problems and Hawai’i, you follow us once we get it done, right?” I think that is the message.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Interestingly, I have received a lot of E-mails, as we all have. I think most of them went to all of us. Of course, it is “Bozo Rapozo” and all of these things and that it is the “law enforcement perspective.” When you do research on legislation, you need to get the law enforcement perspective. You cannot leave that out and just ignore the fact that there are some issues with this, some social issues. You cannot ignore that. Colorado law enforcement officials have said, and I will show it on the slide later, that one of the selling points in Colorado was that it will drive away the black market because you will have these facilities that people can come to, so they will not have to go to the street corner. Well, really? Is that true? From the law enforcement perspective, the law enforcement data in Colorado said, “No,” and that in fact, the black market is thriving even more. You can ignore it and say that they are making that up. I do not, because I believe it. I think when you analyze these

types of legislation that is going to have long-lasting, far-reaching effects, you have to look at everybody's perspective and not ignore law enforcement. Who is going to deal with the problem? Not Housing. Not the Council. Not Holo Holo 2020. It is going to be the Kaua'i Police Department; the Honolulu Police Department; and the Maui Police Department, so their perspective is important. I think that when we analyze these things and if we have not reached some results or studies here, locally, why would we go down that road and deal with it later? Because of the money? Because we need the tax revenue? That is what the Governor of Colorado said and he said it enough times on television shows and newspaper articles. He says, "Please, governors, my fellow colleagues, do not use this as a mechanism to raise tax revenue because you are making a big mistake." That is what the Colorado Governor said. So you can discount that too, if you want, but I do not because they are doing it. Anybody else?

Councilmember Kagawa: I think one of the big differences that I think I would like to point out is that Colorado's law was referendum-based, right?

Council Chair Rapozo: Yes, voters voted for it.

Councilmember Kagawa: In Hawai'i, that vote has never taken place yet.

Council Chair Rapozo: Yes.

Councilmember Kagawa: Thank you, Chair.

Council Chair Rapozo: Anything else? The motion on the floor is to receive.

The motion to receive C 2015-113 for the record was then put, and unanimously carried.

COMMUNICATIONS:

C 2015-107 Communication (03/10/2015) from the Executive on Transportation, requesting Council approval to apply for, receive, indemnify, and expend an additional allocation from an existing annual grant award from Federal Transit Administration (FTA) Section 5311 funds provided to the County of Kaua'i in the amount of \$1,000,000, for operational and capital expenses: Councilmember Yukimura moved to approve C 2015-107, seconded by Councilmember Kualii.

Council Chair Rapozo: Any discussion? Councilmember Yukimura.

Councilmember Yukimura: I just want to express my gratitude for these moneys because they really are allowing the bus to continue in a time of very tight budgeting. It is a blessing to have those Federal moneys.

Council Chair Rapozo: Thank you. Any other discussion? Anyone in the audience wishing to testify? I will be supporting this today, but I will say this, though, that I am not satisfied with the operations of the Transportation Agency at this time. I will say that yesterday there was a lot of discussion regarding possible expansion of the Police Department, and I agree, but I think we should all share the same concerns with all the departments in expanding departments, because it does involve long-term costs. I will say this, and I say this

not to disrespect anybody, but we were told last week that there were nine (9) busses that were not operable. Through my own investigation, I found out there is between twenty-five (25) and thirty (30), and that troubles me. I got that from people who work at The Kaua'i Bus, so I am concerned to the point where I am going to be asking for an audit of Transportation in the budget process, and I hope I can gain the support necessary, because we need to be given good information to make good decisions. I feel that was lacking. I will support this today because I do believe that the resources need to be available, but I also believe that when we give resources, departments need to be accountable and I plan to hold all departments accountable in the next year. Thank you. Councilmember Yukimura.

Councilmember Yukimura: Yes, I believe, too, that all departments should be accountable, and if it is so that the twenty-five (25) to thirty (30) busses are inoperable, then we need to have Ms. Mahikoa come forward to verify that if that is the situation, without just speaking from our own knowledge and not having her here to answer and possibly give some answers to it.

Council Chair Rapozo: Well, we did have her here and she did answer. I am following up on that, so we will deal with that at a later time. Councilmember Hooser.

Councilmember Hooser: I think that would be good. This is a serious allegation, basically. You are saying that she misspoke, so I think it would be good to have her here to explain what the differences are at some point.

Council Chair Rapozo: That is fine.

Councilmember Hooser: Perhaps, I am just speculating the word "inoperable." Maybe it is open to definition.

Council Chair Rapozo: I suspect that is what is going on.

Councilmember Hooser: Maybe on any day, it will breakdown for a day as opposed to her definition might be long-term breaking down, but because of the seriousness of the charge so to speak, it would be good to have a public discussion on that.

Council Chair Rapozo: That is fine. Thank you. Any other discussion?

The motion to approve C 2015-107 was then put, and unanimously carried.

C 2015-114 Communication (03/16/2015) from the Director of Finance, requesting Council approval to dispose of the following government records from the Department of Finance – Accounting Division, which have met the seven (7) and ten (10) year retention periods, pursuant to Section 46-43 (c), Hawai'i Revised Statutes (HRS):

Seven (7) year retention:

- Cash Receipts: July 2005 to, and including December 31, 2007
- Payroll checks cancelled: July 2005 to, and including December 31, 2007

- Accounts Payable cancelled checks: July 2005 to, and including December 31, 2007
- Accounts Payable Registers: July 2005 to, and including December 31, 2007
- Inventory Files: July 2005 to, and including December 31, 2007

Ten (10) year retention:

- Accounts Payable: July 2003 to, and including December 31, 2007

Councilmember Kualii moved to approve C 2015-114, seconded by Councilmember Yukimura.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Chair, this type of communication came up previously and I just wanted to confirm, and maybe the Members can recall, but there is some sort of backup...I do not know if it was electronic or not in which records could be obtained if necessary, but these were hardcopies that we are disposing of.

Council Chair Rapozo: I believe that is what the communication we got the last time was that everything is...maybe we can follow-up with that...

Councilmember Chock: That is my only concern. Thank you.

Council Chair Rapozo: Okay. Thank you. I believe that was Councilmember Hooser's concern last time and we did get a response saying that the electronic files will be maintained. I would assume that is true of all of these destruction requests. Any other questions? Anybody in the audience wishing to testify?

The motion to approve C 2015-114 was then put, and unanimously carried.

C 2015-115 Communication (03/18/2015) from the Fire Chief, requesting Council approval to apply for, receive, and expend the 2015 State of Hawai'i Department of Transportation's Highway Safety Grant, in the total amount of \$8,739.91, to allow the Kaua'i Fire Department (KFD) to purchase nine (9) Pelican 9430 Remote Area Lighting Systems to assist in responding to traffic collisions when dark roadway conditions are present, and which would be assigned to each fire station to ensure scene safety and would provide firefighters with the lighting necessary to safely mitigate a vehicle accident at night: Councilmember Kualii moved to approve C 2015-115, seconded by Councilmember Kagawa.

Council Chair Rapozo: Any discussion? Public testimony?

The motion to approve C 2015-115 was then put, and unanimously carried.

Council Chair Rapozo: Before we go to the next item, Councilmember Hooser, the Transportation Agency will be here for the budget on the 14th, so we can have the discussion on the 14th. Thank you. Next item.

C 2015-116 Communication (03/18/2015) from the Fire Chief, requesting Council approval to accept a donation of one (1) trailer from the Kaua'i Lifeguard Association (KLA), valued at \$14,001.38, for educational purposes in schools, as well as benefit our Junior Lifeguard Program, and will also be utilized by the Prevention Bureau for any special functions in the community that require education on Ocean Safety Awareness: Councilmember Kualii moved to approve C 2015-116 with a thank-you letter to follow, seconded by Councilmember Chock.

Council Chair Rapozo: Any discussion? Public testimony?

The motion to approve C 2015-116 with a thank-you letter to follow was then put, and unanimously carried.

C 2015-117 Communication (03/18/2015) from the Hawai'i State Association of Counties (HSAC) Treasurer, transmitting for Council approval, the proposed HSAC Fiscal Year 2015-2016 Annual Operating Budget, pursuant to Section 21 of the Bylaws of the Hawai'i State Association of Counties (HSAC): Councilmember Kualii moved to approve C 2015-117, seconded by Councilmember Kagawa.

Council Chair Rapozo: Any discussion? Councilmember Yukimura.

Councilmember Yukimura: I was wondering if we could get an explanation on the prescription drug scholarship program and the prescription drug promotion.

Council Chair Rapozo: For the prescription drug promotion, as you can see if you look at the actual letter, number 4, "The National Association of Counties (NACo) Prescription Drug Marketing Fee Revenue will be decreased by half to six thousand dollars (\$6,000), which is reflecting a downward income trend." The prescription drug program, medical and dental programs of NACo have been, over the last year or eight (8) months or so, have been going through a lot of restructuring and looking for another vendor. As a result, the program has really taken a hit and now that everything has been reestablished, and we are still working with our County Attorneys to see if it is okay for us to participate again. The marketing component, HSAC, is obligated to market the plan as part of the agreement with NACo, so that is the reason for the increase of the marketing fee. Hopefully we can bring those numbers back up, as far as the revenue that we generate from the program.

Councilmember Yukimura: What is the prescription drug scholarship program?

Council Chair Rapozo: We had decided that the funds that we generate from the program would be used for our local kids on each island to pursue further education in the medical field and that we would be awarding scholarships to high school students that are choosing the medical field as a college curriculum.

Councilmember Yukimura: So the income from the marketing fee is six thousand dollars (\$6,000), but the expenditures proposed are twelve thousand dollars (\$12,000)?

Council Chair Rapozo: The marketing.

Councilmember Yukimura: Well, there is one line item of income, which is in the proposed budget, six thousand dollars (\$6,000), and then in the proposed budget, the expenditures are seven thousand five hundred dollars (\$7,500) and five thousand dollars (\$5,000), for a total of...

Council Chair Rapozo: The six thousand dollars (\$6,000) is a...hold on real quick...are you looking at item number 6, the marketing fee? The six thousand dollars (\$6,000)?

Councilmember Yukimura: That is correct, in the revenues. In the expenses, you have a drug scholarship program for seven thousand five hundred dollars (\$7,500) and a prescription drug promotion for five thousand dollars (\$5,000), which is exceeding the income from the line item.

Council Chair Rapozo: Correct. Again, we are experiencing a downturn in the revenue right now and we are hoping that with the statewide marketing efforts, we will be able to generate or increase the revenue from the program.

Councilmember Yukimura: But right now, we are spending more than we are taking in.

Councilmember Rapozo: Correct, something like what the County does.

Councilmember Yukimura: Well, I do not know if it is something to emulate.

Council Chair Rapozo: Well, again...

Councilmember Yukimura: So we are using County dues to do this prescription job scholarship program?

Council Chair Rapozo: Well, our revenue is not only from County dues. We have conference revenues. If you look at our revenues, we have fifteen thousand dollars (\$15,000) and I could not tell you which dollar...

Councilmember Yukimura: Okay, but this is the priority for HSAC?

Council Chair Rapozo: Correct.

Councilmember Yukimura: Not lobbying for those kinds of needs?

Council Chair Rapozo: The lobbying is built in with the travel. We chose not to hire a lobbyist.

Councilmember Yukimura: Okay, well I do not mind spending what we take in for prescription drugs, but I do have a problem with spending more than we are taking in.

Council Chair Rapozo: Okay, I can accept that. I am just saying that the plan is to raise those six thousand dollars (\$6,000) up. As you know, I believe in realistic budgeting and not increasing what we may not raise. So yes, it

is true; there is a cost to marketing the program, but we are hoping that with the marketing efforts, we will increase the benefit.

Councilmember Yukimura: Okay, thank you.

Council Chair Rapozo: You are welcome. Any other questions?

The motion to approve C 2015-117 was then put, and unanimously carried.

LEGAL DOCUMENT:

C 2015-118 Communication (03/27/2015) from the Director of Economic Development, recommending Council approval of a License Agreement with the Kaua'i Economic Development Board (KEDB), a non-profit Hawai'i corporation, for a portion of property described as the Kaua'i War Memorial Convention Hall in Līhu'e, Kaua'i, Hawai'i, being a portion of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamāmalu, to assist KEDB in leveraging future funding and grant assistance for the development of the Kaua'i Creative Technology Center (CTC), which will be operated as a community gathering place for arts and creative technology.

- License Agreement

Councilmember Kualii moved to approve C 2015-118, seconded by Councilmember Yukimura.

Council Chair Rapozo: Anyone in the audience wishing to testify? If not, any discussion? Councilmember Hooser.

Councilmember Hooser: Yes. We were just passed out a license agreement and I was wondering if it is different from the license agreement that was included in the agenda. If so, what are those differences?

Council Chair Rapozo: That is a question. Mr. Jung, may you please come up? With no objections, I will suspend the rules.

There being no objections, the rules were suspended.

IAN K. JUNG, Deputy County Attorney: Deputy County Attorney, Ian Jung. There was a new license agreement that did come out from the one previously submitted one from last Thursday. The one that was submitted, we had some edits by the Counsel for the Kaua'i Economic Development Board, as well as we identified the specific area in Exhibit A where the actual improvements will go. The one most current with the...I apologize because I probably did not date it, but I believed it was going to be replaced. The one with the outline on Exhibit A would be the new, correct one.

Councilmember Hooser: If I may, Chair?

Council Chair Rapozo: Please, Councilmember Hooser.

Councilmember Hooser: Do you mean the outline of the facility?

Mr. Jung: Of the facility, right. If you look at the lot of record there, it is currently improved with the Convention Hall and the proposal is to make additions adjacent to the Convention Hall where the technology center would be. It should be in color and if you do not have it in color, I did bring copies of the colored version.

Councilmember Hooser: Are you talking about the map?

Mr. Jung: Right, Exhibit A.

Councilmember Hooser: So the map that is attached to our agenda has what looks like the lobby area "x'd" out...the existing lobby area.

Mr. Jung: Actually, that is just the roofing.

Councilmember Hooser: The what?

Mr. Jung: That is the roofing diagram of the actual Convention Hall. It is not an "x."

Councilmember Hooser: Okay.

Mr. Jung: To avoid confusion, I could have copies made of my draft. I would imagine it is a separate document from what is attached to your agenda.

Councilmember Hooser: Are there any other text changes in the lease document?

Mr. Jung: There were some text changes that were done.

Councilmember Hooser: Do you have a redacted version by any chance?

Mr. Jung: No, I do not.

Council Chair Rapozo: Hang on real quick. I am not sure who to ask as far as if that is something we can do. Do we meet Sunshine Law requirements if we...I do not believe we can swap out the document.

Mr. Jung: This actually was done before with a prior license agreement. It is a legal document, so the document that is part of your packet was amended and what matters is the Council approving the document. We have done this before with the Kaua'i Philippine Cultural Center, where the Council had some suggested edits and what we did was that the Council approve the document with the edits. The edits are non-substantive. They are just more detailed in terms of...

Council Chair Rapozo: My point is that right now, what is on the floor is what is on the agenda, which is what we have in our packet; not what you passed out right now.

Mr. Jung: Right.

Council Chair Rapozo: That is what the approval is based on, so I am not sure if we can...I do not know how we amend a legal document on the floor. I am not sure if that is even possible.

Mr. Jung: Well, you have to remember that a legal document is different from a bill, where you do not do amendments and things like that.

Council Chair Rapozo: That is my concern. Whether it is a bill, legal document, or communication, it is subject to the Sunshine Law. That is my concern. That is fine. If it is legal and I get an opinion that it is okay, we will move forward.

Mr. Jung: No, it is okay. Trust me.

Council Chair Rapozo: Okay. For the record. Go ahead, Councilmember Kagawa.

Councilmember Kagawa: If I may make a suggestion, can we just make sure it is clear? Can we name this "Amendment 1" or something or "Amendment A" for this legal document, just so that we are clear that we are approving the one that is in my hand.

Mr. Jung: Sure. For Sunshine purposes, it is to make sure that it is on the agenda for the item to be discussed. If we want to make textual changes then that is fine as well.

Councilmember Kagawa: So you are saying...

Mr. Jung: If you want to identify it as "Amendment 1," I have no problem with that.

Councilmember Kagawa: Okay.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: I would like to see the text changes. For example, the one I am looking at and the one we are voting on, item number 22 is different from item number 22 here. This is a ninety-nine (99) year lease for one dollar (\$1) a month or one dollar (\$1) a year, correct?

Mr. Jung: Correct.

Councilmember Hooser: So it is a very long lease for no money, so I just wanted to know what words were changed. Would you be able to get a redacted version to us?

Mr. Jung: What happened was that Mr. Chun, the attorney for the Kaua'i Economic Development Board (KEDB), did hand write in his amendments on a Portable Document Format (PDF) I sent over to him, so if I could get Susan to agree to that, I can go and print out his handwritten amendments and you can see what was changed. I can go over them with you if you want after the presentation is done by George.

Councilmember Hooser: Okay. I am assuming you have agreed to all of his suggestions. Is that the way it works?

Mr. Jung: Yes. In my view, some were procedural in terms of what happens if KEDB wants to get out of the lease. It is implied that they can cancel out of the lease, but we made it clear in there and then we just clarified how we are going to proceed with the survey. We have reorganized how we are going to identify the property when we do the survey.

Councilmember Hooser: Thank you.

Mr. Jung: So it is relatively innocuous.

Councilmember Hooser: I hope you understand that before we vote on something, I would like to read it and understand it, rather than be given another document and things are not the same. That is cause for concern.

Mr. Jung: No, I understand.

Councilmember Hooser: Thank you.

Council Chair Rapozo: Any more questions for the attorney?
Councilmember Yukimura.

Councilmember Yukimura: From the County's standpoint, if anything should go awry with KEDB; no questions right now given who is there and the board process. What are the ways for the County to get out of the agreement?

Mr. Jung: Well, there are stated terms within the license agreement, and as you all know from prior experience in dealing with license versus leases; license is the opportunity for someone to utilize the land, versus get an interest in the land. With a license, there are stated terms which they agreed to and they have to comply with. If they do not comply with those terms, then the County has the opportunity to come in and acquire the property back and basically cancel out the license because it is a revocable license, subject to revocation if you are noncompliant with the terms.

Councilmember Yukimura: Are the obligations clear?

Mr. Jung: The obligations are clear that it has to be operated by a non-profit and the use of the subject property has to be for educational experiences for the arts and technology. Any infrastructure that they do put in there will have the opportunity to be removed by them if they want to, but could be assumed by the County, should they choose to cancel the license. It also has to be open to the general public and it is subject to antidiscrimination provisions as well.

Councilmember Yukimura: What about things like water and electricity?

Mr. Jung: There is a provision in there that basically outlines the responsibility of KEDB or their sub-licensee to go in and get the appropriate County and State permits. So with water and infrastructure, whether it is sewer improvements or electrical improvements, they are going to have to go

through the proper permitting process. The zoning is R-1 with overlay of "Special Treatment Public," which means it automatically triggers a use permit process, which is a public process where they have to go in for the permitting. If they do get any State or Federal funds through their funding of the project, then it would also trigger another trigger for an Environmental Assessment (EA), so they still have a lengthy process of permitting to go through. I believe there is going to be a presentation, so I do not want to jump on the presentation.

Councilmember Yukimura: Okay, thank you very much.

Mr. Jung: I will go run to my office and get the amended changes.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: I guess those were my underlying questions. Should we ask questions about the legal agreement now or should we listen to the presentation? I do have questions.

Council Chair Rapozo: I would ask the legal questions now that we have Ian here because it looks like the presentation is...and he is here, so if you have legal questions, go ahead and ask them.

Councilmember Hooser: My first question is about procurement. This again, is a ninety-nine (99) year lease, so it is big value, theoretically, so while we are not required to go out and look for other non-profits who might be interested in doing this?

Mr. Jung: It is a transaction in land, so it is exempt from procurement.

Councilmember Hooser: So we are not required to go out and solicit other non-profits?

Mr. Jung: Right.

Councilmember Hooser: I appreciate your thought that the expectations are clear...I am not sure what the words were, expectations or requirements, but it seems like they are not as clear as they might be. I do not really see a description of the Kaua'i Creative Technology Center. I do not see any expectations of what that actually is. I see the title and that is it. I see the word "non-profit" and I do not see a definition for "non-profit," whether it is a 501(c)(3). I see reasonable fees can be charged to the public, but I do not see any definition of what those reasonable fees would be. It is the same as reasonable hours. I understand there are ten (10) years to perform the first, so my question is why are we not just...my question about the definitions that I asked—Why do we not start there? Why are there no definitions included in the lease agreement?

Mr. Jung: Well, what we did was we worked off of our current licenses with other non-profits, for example, the Young Men's Christian Association (YMCA) and the Kaua'i Philippine Cultural Center. This template was created before my time and I had to make some amendments to it, but if the Council is not satisfied with the term "reasonable," then we can certainly try to define it, but trying to define "reasonable" was very difficult at times because as they build the

facility, they are going to have to identify what the operational costs are, and then they are going to have to identify what types of fees to apply to maintain those operational costs. It would be moderately speculative to try to identify that now, but they can try if that is what you want as the policymaker.

Council Chair Rapozo: Councilmember Hooser, why do we not do this? Why do we not do the presentation? I think your questions are more in line of what they plan to do and what we want them to do.

Councilmember Hooser: Right. I agree. I would like to see it, but I would also like to see it in the lease agreement that "this is what we are doing."

Council Chair Rapozo: Right. I think after the presentation, we can clarify some of those questions that you have with them as far as fees and hours, like we did with the Kukui'ula Golf Course. Basically, we negotiated tee times and costs for local residents, and then we put that into the legal document. If after the presentation there is some concern by the body that we need to fix the agreement, then we can do that.

Councilmember Hooser: Okay. Sounds good to me.

Council Chair Rapozo: Ian is just the legal guy and making sure that it is legally sufficient, but the other questions you were asking is more policy, so we can have them come up and answer your questions.

Councilmember Hooser: Right. To be clear, I am not questioning anybody's intent; not the Kaua'i Economic Development Board or the County Attorney. This is a ninety-nine (99) year lease. We will be dead and our children will be long gone, and this will still be going. I think it behooves us to be prudent, in terms of our portion at least.

Mr. Jung: I can stick around, too.

Council Chair Rapozo: Councilmember Kualii.

Councilmember Kualii: I have a really quick question. Councilmember Hooser keeps using the word "lease" and you keep using the word "license." What is the difference between a lease and a license?

Mr. Jung: A license is the opportunity to utilize a piece of property for use purposes versus a lease where you can enter in and get an interest in the property, so it is revocable versus with a lease, it is a stated term or a month-to-month, but the license is revocable on a certain set of terms.

Councilmember Kualii: Okay, so it is a license.

Mr. Jung: Yes, it is a use versus an interest.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Does anyone else have any questions for Mr. Jung? If not, thank you, Ian. The rules are still suspended. I guess this would be a good time for George to come up and do his presentation. If you want any of your supporting cast, feel free to bring them up with you as well.

GEORGE K. COSTA, Director of Economic Development: *Aloha*, Council Chair Rapozo and Honorable Councilmembers. For the record, George K. Costa, Director for the Office of Economic Development. To my right we have Susan Tai Kaneko, who is the President and Chief Executive Officer (CEO) of the Kaua'i Economic Development Board, and our Consultant for this project, Mr. Alan Tang of Olomana Loomis, LLC. *Aloha* everyone. We are here today to present a brief summary of the Kaua'i Creative Technology Center, formally referred to as "The Digital Media Center," and a request for approval of a license agreement, which is an integral step in assisting the Kaua'i Creative Technology Center to leverage future funding and grant assistance in making this project a reality. The Creative Technology Center was birthed during the initial Kaua'i Economic Development Plan Comprehensive Economic Development Strategy (CEDS), otherwise referred to as the "CEDS" process. The original Economic Development Plan was written in 2004 with a focus of the Plan to serve as Kaua'i's economic development roadmap and guide all stakeholders who have an influence on Kaua'i's economic future. In 2004, our economic landscape was very different from what we are experiencing today. Our visitor industry was thriving; unemployment however, was hovering slightly above two percent (2%) and construction and the real estate market thrived as well. With our main economic engine running smoothly, the focus of the CEDS was to look at diversifying our economy and focus on other industry clusters.

Economic development is defined in this Plan as "the process of positive change in the production, distribution, or consumption of goods and services." This update identifies key assets, resources, and actions needed to increase wealth and prosperity on Kaua'i. Key community values were articulated in the General Plan and formed the foundation for the CEDS. During the CEDS process, various members of our community, representing six (6) industry clusters, formed focus groups and identified priority projects that would help to strengthen these industry clusters and diversification of our economy. Those six (6) industry clusters include food and agriculture, health and wellness, sports and recreation, arts and culture, and high technology and renewable energy. In the high technology cluster, one of the fifteen (15) goals and projects that rose to the surface was to construct a film/digital media center and production facility. Just three (3) short years after the CEDS was created and implemented, Kaua'i's economy was turned upside down during "The Great Recession of 2008 and 2009." Our main economic engine was sputtering and drastic measures needed to be taken to not only revive our economy, but it made the need to diversify Kaua'i's economy even more critical. The timing could not have been better, as it was time to update the CEDS and place the greater emphasis on strengthening the six (6) industry clusters that support economic diversification.

During the 2010-2015 CEDS update, the high technology cluster was renamed as "science and technology," and the goal to conduct a feasibility study for film, digital media, and production center was one of the fourteen (14) goals and projects to diversify our economy. We thank Mayor Carvalho, this County Council, and former Councilmember Nadine K. Nakamura for seeing the value in this project and providing the funding needed during the last four (4) years to bring this project to where we are today. At this time, again, I have introduced Susan Tai Kaneko and Alan Tang, our Consultant, who was hired by KEDB to provide an overview of the project itself and provide more detail for this body. Both Susan and Alan have been very instrumental in the last four (4) years to really bring this project to where we are today, and for that, we are truly grateful. So without further ado, Susan.

SUSAN TAI KANEKO, President and CEO, Kaua'i Economic Development Board (KEDB): Thank you, George. Susan Tai Kaneko for the record. Good morning Chair, Vice Chair, and Councilmembers. Thank you for this opportunity to present today on this license agreement, which is a very crucial step as we continue to develop this program. What I would like to do is actually, especially for the newer Councilmembers who were not here hand-in-hand with us as we were developing the project; just to go through the different phases that have now developed into the Kaua'i Creative Technology Center. This started as Phase 1 in Fiscal Year 2011-2012, and thanks very much to the County and County Council for the funding to conduct this feasibility study. The tasks you will see here—there is a tasks section here and then the deliverables; the outcomes. The primary tasks for that phase were to conduct the due diligence on the feasibility of a project like this to do so through community meetings and presentations. What was very important was community engagement in this process. At the end, we provided a feasibility study and a set of presentations to the County and to the Council.

On the outcomes, based on the information gathered in this Phase 1, the project was deemed feasible for a number of different reasons and those findings included that there was really potential for a significant economic impact on our community by developing this project. Through visitor industry and filmmaking activities, that is where a lot of this could become an economic engine. There was also widespread community interest across multiple industries, including culture and performing arts, but also in the educational sector and throughout the general community. Definitely in the feasibility study that came out, there was a demonstrated need for a project of this nature to boost this industry cluster and this particular sector to become an economic engine. It would also contribute to the educational pipeline, because one of the biggest missions for the Kaua'i Economic Development Board is job creation and developing opportunities that provide higher living wages for our residents. It also provides a continuum of complimentary and supplementary resources for kindergarten to twelfth grade, and for the college level as well. In this process, too, we saw that there was a demand for an essential facility here in Lihue, and in the facility, a need for high-speed broadband for state-of-the-art equipment and also for an incubator resource because the readiness for creative technology, such as this center, is because there are ample partnerships because of that community engagement. There was also a community here that is talent-rich and content-rich. There is also already a demonstrated excellence in digital media. If you look at some of the programs in our schools, there is definitely a lot of excellence already existing and a lot of accomplishments in that area. Also, there is increased Hollywood filming here on Kaua'i and the support of the County in the process of all of our projects that come out of the CEDS program.

After delivering the feasibility study, we went on to, again, thank you to the County and the County Council, the business plan phase. In that phase, what Alan did was develop the project vision and the mission, and he made the business case by developing that business model for this Creative Technology Center. It included developing the programs and the services, developing the project governance, and what the leadership structure would look like, and the staffing and organizational structure as well, but also conducting the financial analysis of a center like this. It included developing the revenue model and capital investment funding sources. The business plan included a project launch strategy and it started the concept of site selection, and the location selection process, which was very important. In that business plan, it addressed issues like environmental assessments that would need to be done, and the architectural and construction reviews. Based on the business plan, the recommendation was a 501(c)(3) organization, a non-profit organization,

and that this would be a custom thirty thousand (30,000) square foot building to fit the requirements of a creative technology facility, and it would accommodate the community's request for more multipurpose space on the island. We would be raising twenty and a half million dollars (\$20,500,000) to cover the construction costs, plus two (2) years of the center's operations by raising the operating costs upfront that provides confidence to hiring qualified staff to run such an important venture. It was a new organization and not an existing non-profit organization because it allows us to be broader and to serve more of the community, rather than just align with any existing organization's mission. With the estimated two million dollars (\$2,000,000) in the annual operating budget, the Center would rely on three (3) major sources of income, which would be facility rentals, earned income, and also grants and contributions. This Center would provide this wide array of education and training because ultimately, a big component of this is job creation and it is training our folks to be able to fill those positions.

After this business plan was completed and delivered to the County and to the County Council, the next phase was implementation of that business plan. That phase included identifying specifically funding sources, initiating the fundraising grant applications, and also doing the specific work to evaluate site selection. We also worked with a legal firm to establish the non-profit organization and develop specifically, the governance structure and what the charter board, for example, would look like. The deliverables on this phase included a very detailed and specific list of potential donors, which included foundations and corporations; government, State, and Federal; and major donors and other supporters in the community. We have actually submitted a State Grand-In-Aid (GIA) application at the end of January and we have also talked to a number of private foundations and corporations to start lining up funds. The site has been selected and what Alan will go through a little bit later, as you will see in the slides, is that actual site selection process, because numerous sites were evaluated. There were various challenges to those sites and Alan can go into why the Kaua'i War Memorial Convention Hall is really the ideal site for a project such as this. As you know, as projects evolve, so does the governance, because depending on the site, which is very critical, we want to make sure that we have the best and ideal governance and leadership structure, because our plan is for this to succeed for the long-term. That leads us to this current Fiscal Year '14-'15 and we are in the predevelopment stage. Right now, Alan and his firm is working on the site preconstruction phase, so he is working on developing the architectural and engineering due diligence and different studies needed for traffic and parking. Those are things that we are very cognizant of. We are continuing to establish the governance and non-profit status as the project evolves and we are securing the site, fingers crossed; and then also fund development in the capital campaign. It is very important, as you know, to have a site as we go out to funders. It just boosts confidence for them to know that we have a very centralized site, that it is an affordable license agreement, and that it is tied hand-in-hand with an existing facility that is very aligned with its mission. We will be able to provide more details as we wrap up this fiscal year and as Alan completes the project, so we will be providing an update and a presentation to the County and to the Council. As I mentioned, having a site just really makes the project more real, especially for our funders and stakeholders. What I would like to do now is actually turn it over to Alan, so that he can actually talk about the functions within this facility that the license agreement applies to.

ALAN TANG, Olomana Loomis ISC: *Aloha.* Good morning, Chair, Vice Chair, and Councilmembers. I am glad to be here again. Also, welcome to some of the supporters and stakeholders in this project who made time to come by this

morning to see the presentation. Many of you have heard this before, but I will just kind of go over the key functions of this facility. There is one main area that will be the general multipurpose room, which allows us to do a lot of film productions. The nature of it being multipurpose is that we can restructure the room instantaneously and create a place where we can hold performances. With walking through the community, there is a great need for a facility of this size and with the technical capabilities. Some performances and productions will not be suitable for that one thousand (1,000) seat auditorium over at the Convention Hall or the five hundred (500) plus seats over at the Performing Arts Center at Kaua'i Community College (KCC). Our center will be estimated to be between eighty-five (85) to about one hundred twenty (120) seats, really depending on the location. We are actually very excited to be sited at the Convention Hall, which will give us a little more flexibility in how we design the space. Besides the productions and the performances, this multipurpose space will also allow us to have larger gatherings, especially for education and training. Broadband, as Susan has said, is going to be central to this facility and will allow us to be able to do remote training, whether it is going to be on O'ahu, the west coast, or a totally other part of the world, which will allow us to really expand the horizon for all of the residents and practitioners here on the island.

Just to go over quickly, this is a real multifaceted facility. In the last three (3) years in talking to the residents, there is a lot of community need, but there are not enough resources to build a specialized facility for each need. This is where this Center really comes in and becomes a conduit with technology being at its core. Robotics is a very growing and emerging field among our young people. While we do not have the space for the arena, we can certainly do the programming and the thought process that goes into designing the robotics right at this Center because of our capabilities. Collaborative learning...we talked with all of the schools, kindergarten through twelfth grade, as well as the Community College. They are not in any classrooms, but any space where students can come from all different schools within the island and actually within the State to convene and exchange ideas and work on projects together, and perhaps also being able to work with professionals, as well. This collaborative learning space is key to be able to advance the development and the projects that the students are working on. It is not just limited to students. I think it is also limited to the community and professionals, so as they want to be able to collaborate and convene, this would be a very excellent space for that. We see this emerging all over the State. I have been privileged to of course visit those on O'ahu, but also seeing some that has developed on the west coast and some other parts of the country. This will definitely put Kaua'i at the forefront. High-speed broadband, as mentioned, is going to be at the core in this facility. In talking to the community, they have expressed or you have expressed a need for a videoconferencing center, complete with all of the appliances and equipment, as well as broadband, and one that is open to the community, whether it is for business or education purposes. This will allow people here to be able to connect with the rest of the world. Computer facilities, classrooms with equipment...again, whether it is for production or training, I want to be sure that is available. A sound stage...there are some around the island, but we want to have it be state-of-the-art and available to all residents to be able to use, so that they can cut their own compact discs (CDs) or MPEG-1 or MPEG-2 Audio Layer III (MP3s), or whatever it is that they create nowadays and be able to create commerce with it. Business counseling is going to be a very important aspect of this facility as well. It is not just a technical aspect. In terms of economic development, it is really to provide the counseling, so that the practitioners can understand the business side of what it is, which is with intellectual property, how to do marketing, and how to set

up a business. We want to be able to augment what is already available on the island and just be able to extend and enhance business development. Crew training is extremely important. Our studies have indicated that currently productions here on the island employ only up to thirty percent (30%) local labor, and the reason for that is that while labor is available, they are not necessarily trained to be on a film set. That is what we want to do. We want to provide that. Our target through this Center is to increase it to about seventy percent (70%) to eighty percent (80%) local crew, so that provides immediate local employment. Edit-based...in our discussions with the film studios, they do not need a sound stage to come to Kaua'i to use Kaua'i's beauty as a sound stage, but they do need an enclosed facility where they can do some tighter shots and be able to communicate directly with their studios back home. This is a feature that they are very interested in. Of course animation, which is another emerging and growing area; all we need to do is provide the experienced talent to do the education and training with not just the students...a lot of the students are really involved with this, but some of the professionals that are emerging in terms of animation. That makes Kaua'i a beautiful place to be able to do your work and enjoy life as well. So this is all packaged together and we need about a thirty thousand (30,000) square foot facility that basically has all of the training classrooms, offices, and then a multipurpose studio.

I just wanted to quickly walk you through the whole process. Throughout the last three (3) years, we have actually examined seventeen (17) properties in fourteen (14) locations. They ranged from government facilities, from State to County, as well as private facilities. We looked at existing buildings, open ground, and undeveloped land. There have been a lot of different explorations that we did. I am actually very pleased that we were able to do all of these explorations and to the generosity of the people of Kaua'i. Our guideline for this facility was a community-based facility in which we have to keep our overhead very low, so the cost of the land is going to be very, very important. That was one of the major requirements that precluded a lot of these sites to be the preferred location for us. Many of them prefer to have market rates and we cannot afford that or some facilities may have a longer timeline and they may become available in five (5) to ten (10) years. According to all of the stakeholders in this community, they wanted this Center yesterday, so that five (5) to ten (10) year timeline is unreasonable. But not only that, I think this is an opportunity to develop the film industry here. The timing is important, so the sooner we get on this, the sooner Kaua'i can benefit from the tax credits and all of the interest in filming on Kaua'i. Without these locations, we started looking at the Convention Hall. The location is ideal; it is pretty central. When we took a look at it, we looked at different spaces within the nine (9) acre property and found that if we developed it adjacent to the Convention Hall and staging area, we could actually have reciprocal benefits to both facilities. By building next to it, we could actually add technology improvements to the current Convention Hall staging area and it also provides a much larger open space for us to do some of our productions. We have had extensive discussions with the Parks Director, as well as the Facilities Manager, to understand how we can co-habit on this space and to find the synergy existing on this property. I am pleased to say that the conversations have been very productive. It is a lot more details that we need to go into. Once we have approval to work on this site, we will be working on an operating agreement with our facility, as well as the Convention Hall. The purpose of this Creative Technology Center is always to augment, to supplement, and never to replace, and that goes into our values in working out an operating agreement with the Convention Hall, as well, so that our facility will not negatively impact the Convention Hall. If anything, we want it to have a positive impact and provide some of the capabilities to that facility. There are a lot more work that

needs to move forward in terms of making all of this work, but I believe that this is a “win-win” for us, both the private non-profit that we are forming to provide all of these features, as well as the existing Convention Hall. Let me just show you a rendering of what this might look like. We worked with the architect to do a preliminary study of what the facility could look like right next to the Convention Hall. Our guideline was to develop something that would be respectful of the existing design, so you notice that the two (2) story building in the back is not taller than the dome of the facility and that is basically to not dominate the current facility. We are using the front lawn space—Yes, we will be displacing the Mayor’s Garden, but apparently he is okay with that, so he gave us permission to move forward with it. We showed this rendering around and people have felt that it was very respectful and, in fact, it does pick up some of the original architectural features. When we get into the final design, we want to continue to be respectful of that as well. We have talked with some of the neighbors to make sure that they are aware of what might be coming along and they are actually very, very supportive of it as well, most of them being from Wilcox Elementary School. Cory Nakamura, if I can say, is totally ecstatic that this facility will be in his backyard, because his faculty and students are actually doing really, really well and phenomenal. In fact, he asked when the projected completion is, so that he can also match the equipment and curriculum in his school to match our facility, so that when we come on, the students will just seamlessly flow and practically just walk across the backyard to this facility. We have received a lot of positive reception from the community; the immediate neighborhood. This project has been a project of the people from day number one. The concept has not been imposed. Really, the concept was developed by having input, contributions, and really looking at what would be reasonable for us to produce for the people of Kaua‘i. Thank you.

Council Chair Rapozo: Thank you very much. Any questions?
Councilmember Chock.

Councilmember Chock: Thank you, Chair. I have a few questions. Thank you for your presentation. My first question is probably to Susan on the funding sources. You talked about getting some money—Is it two million dollars (\$2,000,000)? Is that the figure you threw up front for the project?

Ms. Kaneko: Well, the full project cost is twenty and a half million dollars (\$20,500,000). About fifteen million dollars (\$15,000,000) of that is for construction. Two million dollars (\$2,000,000) is for the operating costs.

Councilmember Chock: Okay. That is where I was wondering more or less about, on the operating for the sustainability of the organization that is being created. You started to get into it, but I did not catch it all about how you are going to recoup some of the costs for the organization. It was facility rental fee and you listed a few others. Can you repeat those?

Ms. Kaneko: Sure. There were facility rentals, earned income, and also grants and contributions.

Councilmember Chock: Grants, okay. I am sure you have this all outlined in your business plan. It is just that we have not had a chance to take a look at that.

Ms. Kaneko: We do. We can provide you the full business plan.

Councilmember Chock: That would be nice. Thank you so much. Out of the amount of funding that you spoke about, how much of it is secured?

Ms. Kaneko: Currently, we have submitted the GIA application, which was for three million four hundred thousand dollars (\$3,400,000). We have already started working with the Economic Development Administration (EDA) because we intend to apply for another three million four hundred thousand dollars (\$3,400,000) in Federal funding. Alan has met with the National Endowment for the Arts and that is for submitting a two hundred thousand dollar (\$200,000) grant proposal. He has also met with KIUC on their Revolving Fund for a sixty thousand dollar (\$60,000) grant, with Hawai'i Gas for a twenty thousand dollar (\$20,000) grant, and with various other corporations like Hawaiian Airlines and Matson. We are approaching them for a combination actually of cash and in-kind, because if they can provide in-kind services, that would help offset some of the transportation costs for equipment and construction.

Councilmember Chock: You also mentioned partnering with organizations. Can you speak to some of those organizations that are affiliated with the project now?

Ms. Kaneko: Sure.

Mr. Tang: May I answer that?

Ms. Kaneko: Sure, I will defer to Alan on that.

Mr. Tang: That is a really good question. From the very beginning, we have been talking to the community. Organizations like Hō'ike have been in conversations from the very beginning. We are looking to be able to compliment what they offer and not replace. One of the restrictions of Hō'ike is that they cannot do any commercial work, where that is actually the core of what we want to do for economic development, which is to take it from where they cannot do and really perform. In the course of last year, we actually have looked at several other organizations, namely Easter Seals and Boys and Girls Club, and we are exploring the opportunity on the Convention Hall property. This is where the programs come in, where we actually have programs for the participants as well. There are numerous other organizations, especially the schools. All of the schools like Chiefess Kamakahelei—Kevin has been a staunch supporter and contributor to this project, as well as Chancellor Cox over at the Community College. They are all very anxious to participate in the development of the program, as well as the services that we have to offer. Once we get going on this project, we will actually be inviting a lot of other organizations to see how we can complement what they have. I have been doing several presentations in the community in the last few months and there have been a lot of organizations coming up and asking us to participate, so that list is going to continue to grow.

Councilmember Chock: Okay. I have one last question, Chair.

Council Chair Rapozo: Sure.

Councilmember Chock: In the diagram, I cannot seem to read it, so I was wondering about the two (2) different buildings if you could share what each one of them is.

Mr. Tang: Sure. This is the Convention Hall. The staging is right in the back and this is the multipurpose building, so it is one floor. This is where we hope to have the productions and performances in the large area. We had a conceptual plan for about eighty-five (85) seats before we had the land, and now looking at this, we might conceivably be able to accommodate more, which would be good. In the back of it is the two (2) story building that goes from the loading dock over to the front. Our intention is actually not to remove the loading dock, but actually to provide cover for it. The second floor will go over it and the loading dock will be exposed in the back, which provides better access to loading into the Convention Hall. The property is actually an "L" shape developed on this side.

Councilmember Chock: Thank you.

Council Chair Rapozo: Councilmember Hooser, and then Councilmember Kualii.

Councilmember Hooser: Thank you for the presentation. It is a really exciting opportunity and a wonderful asset for the community. There is no question about that. Back to the funding, you mentioned the list of grant applications. Is there any confirmed funding that you had people say "yes?"

Mr. Tang: We are actually in the process of finalizing some of that. So far, the County has been the one that has stepped up. Once again, thank you for your leadership. The stall in confirmed funding is because we do not actually have a site. In all of the discussions and the meetings that I have had, I have had absolutely full support for this project. They just cannot commit until we actually have a site because until then, it is conceptual and hypothetical. Once we have this, this is going to open the floodgates and actually start pushing for the actual commitments. Ironically, before coming over this morning, I had a call with one organization that I am in the middle of discussions with. They are very positive about supporting this and I asked if they wanted to have a naming opportunity, which essentially means that they have to double their contribution, and they did not drop the phone, so I hope that we can continue these conversations and move on in the next few weeks and months.

Councilmember Hooser: Okay, good. There is a lot of enthusiasm, but not really any firm commitments at this point.

Mr. Tang: Not just yet.

Councilmember Hooser: I understand that this is part of that process moving forward. As you probably heard, when I was talking to the County Attorney about some of my concerns, the license agreement refers just to the title, basically, of the project. Would you be opposed to having a description or some kind of attachment or addendum describing in a little bit more detail, anyway, what you envision the project to be?

Mr. Tang: We could attach the business plan.

Ms. Kaneko: Yes, we could attach the full business plan.

Councilmember Hooser: As an addendum, perhaps?

Mr. Tang: Yes. The business plan has all of those details, the full three (3) year *pro forma* with all of the revenue and expenses. We did a lot of extensive work in calculating where the revenue sources would be. We made sure that we were very sensitive to the pricing structure here on Kaua'i and not use fees that would be generated on O'ahu or the mainland, because we want to be sensitive to the local community. All of the numbers that we calculated were actually from Kaua'i. The plan was developed two (2) years ago. It is starting to age, so once we get the property and start developing, we are going to be revising the business plan. It should be an active document, so there has been a lot of other input and we want to be able to update and upgrade that document. I think the plan has been finished and I think it should be submitted as part of this agreement.

Ms. Kaneko: We can definitely do that.

Councilmember Hooser: Okay. Thank you. I think that would be important. It is a ninety-nine (99) year license and there are ten (10) years to perform, and even in ten (10) years, all of us may not be here. So I think that is why it is important to capture the intent of the license as best we can. I have some questions for the attorney later, but that is all I have for now. Thank you very much for all your hard work you have done on this. Thank you.

Council Chair Rapozo: Councilmember Kualii and Councilmember Kaneshiro.

Councilmember Kualii: Thank you. I just have one quick question. I think this is incredible, as far as the potential economic impact and I liked everything that you had to say about the economic engine and about the expansion of the culture, sharing, and education. I was wondering if a part of your annual operations—you said rentals, earned income, and grants and contributions—I have not seen the details in the business plan, but have you thought about creating some kind of film, digital media, and production certificate program with the different schools; maybe at the high school, junior high school level, and also at the college level, and tying it to the facility, so that when people go through all of those programs, they feel a sense of connection with the actual facility? I know as an alumni of my high school and as an alumni of my college, they come to me for donations all the time and there is a connection and pride, so I feel more likely to give and I think we can raise money that way as well.

Mr. Tang: Do you want me to address that? I think that is an excellent comment. We actually have had robust discussions with all of the stakeholders, especially with the educators. We certainly want to have a certificate program. Whether it is going to be accredited or not, those are details that we need to work out. We wanted to maintain the bar of this facility to be very high. For the people coming in, we expect them to learn, to be able to produce, and when they come out, they are going to produce far better than they had before. That is the intention and that is the positive change that we want to create in this community. To be able to augment that part of our budget is that we have put together a budget of two hundred thousand dollars (\$200,000) for the first two (2) years to be given to a project to be produced mainly by people here in Kaua'i. The quality needs to be good enough to be submitted to the Sundance Film Festival, so we are aiming high right out of the gate. The process certification, how the projects would be viewed by peers is a very high priority for us and all educators from the

kindergarten to twelfth grade schools, as well as the Community College are very much supportive of this.

Councilmember Kualii: You talked about the crew training and that they only hired thirty percent (30%) at this point, and I am sure it is just because that is the only skills and qualified individuals that we have, so it will be interesting to see that number go up as the years go by.

Mr. Tang: Yes.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: Thank you. I think I have a few comments, and then I think I have more comments for the attorney on the license agreement. Thank you again. It is a great thing to have and I know we have met on this before. I am just going to repeat what my main concerns were that we mentioned in meeting and of course my main concern is the full utilization of the facility. Does Kaua'i have enough users to keep the facility full and be able to generate enough money necessary to sustain the facility? I think the worst thing we could do is set up a nice facility where we have all of this equipment in there, but we do not get full utilization, we are not able to cover our costs, and then we are going to end up in a situation where—I do not know if you were going to need to ask the County for money or we are going to be looking for money to keep the place sustaining, and I do not think that is somewhere we want to go. Of course if you look at schools versus commercial users, it is a balance because we are not going to be able to...it is great to have it available for schools and children, but we are not going to be able to charge them rates that are probably going to sustain the facility, and then I guess you will end up in "time-competing" between commercial users that are able to pay the money necessary to keep the facility going, and then you have the community users who maybe you are going to charge a smaller fee to, but they have the facility available. Again, that is my main concern on it; just being able to have the place being self-sustaining. I know you have a business plan and you looked at those. It is hard. If we were O'ahu, I could see we would have all of this use, but sometimes I am just real scared with Kaua'i, as far as being able to fully utilize the facility. That is just my main concern. But it is a great project and I think it would be great for the island to have. Again, down the road, is it going to be able to sustain itself?

Council Chair Rapozo: Do you care to respond to that? I think that is a valid question as far as the use. I think, as I spoke of the Kukui'ula Golf Course discussions years ago, we made it a condition. I do not know if you can respond to that concern because I think it is a valid one.

Mr. Tang: Yes. I think that is an excellent question. Actually, that question was posed to us in the very beginning of the project, that if we were to embark on this project and the County is willing to fund the seed money to develop it, but one very important consideration is that whatever plan we develop, we are not going to be continually dependent on County funds, so that is not our intention to come back to the County for specifics that there might be some other extension programs that we want to do. When we developed the plan, we were very sensitive that operations would cover basically the sustainability of the facility. Unlike a lot of other non-profit projects where we have to make the facility fees reasonable for the community, we do have a component that is really the film

industry. I truly understand the concern about the dichotomy between the utilization within the community who might pay less and the film industry who might pay more. We actually have written a space utilization model into our plan where there is a commitment that is only going to be available for the community, so that the community will not be at a disadvantage if the film studio would be...part of that would be that it will actually jeopardize a 501(c)(3) if only the majority is serving the film industry, so we are kind of protected by filing and registration. As a project, that is our value and mission, which is to serve the community. We have factored that in. As far as assurances, we did our best to study it during the feasibility and business plan portion. Like I said from the very beginning, the building and success of this facility actually comes down to the community. They have been very supportive ever since day one. I have made more friends and my black book is partially huge from Kaua'i residents because everybody is so excited and wants to participate in this. I am highly encouraged that we have a high probability that this Center will be very successful. The other reality, as reminded to me by one of the educators, is that because of broadband, we are not limited to just Kaua'i residents. That is actually a very exciting opportunity and I love the energy that is coming in from all of the stakeholders that they are seeing the possibility of how this facility could actually expand in the future.

Mr. Costa: If I could add to that, I just recently attended the American Film International Convention last month in Los Angeles, and during the trade show, I was approached by at least twenty (20) small production companies. One of the questions that they asked is, "What is the staff like on Kaua'i?" Because they are interested in Kaua'i, and like our visitor industry, Kaua'i has now gained a reputation for being a very favorable place, not only to visit, but to film, especially for the big productions. At this Convention, I met a lot of small production companies that really, when you look at the numbers on an annual basis that we have here year-to-year, it is smaller productions, commercials, and private film companies that come to our island. One of the things they ask is, "What is the talent on the island?" Unfortunately, they have to go to O'ahu to get some of that talent. A lot of it really can be cultivated here on the island and this facility would work well, being that workforce development is also in our Office. This would be another great industry where we could help more displaced workers have a new career. I just wanted to share that with this group.

Council Chair Rapozo: Anyone else? Councilmember Kagawa, and then Councilmember Hooser.

Councilmember Kagawa: Thank you for the presentation. I am excited for the potential of generating more business to the island. The film industry is definitely something that would really help the economy. My biggest concern, and you kind of touched on that, but I just want to get a little deeper into that; do you envision any conflict when we have use at the Convention Hall? Are you ensuring that you can have operations during scheduled events at the Hall? Is it going to be soundproofed, etcetera?

Mr. Tang: That is an excellent question. As far as the sound impacting the neighborhood, we actually need to soundproof a facility to keep the noise out, but because it is soundproof, it keeps the noise in so it will not have that impact to the community. In terms of a working agreement with the existing Convention Hall, we did an analysis on this utilization last year. The peak periods where it would have a lot of people and traffic were one hundred fifty-eight (158) days out of three hundred sixty-five (365), so there is capacity for the facility to

actually have more activities. We hope that by our presence, our facility and the Convention Hall, once we are able to provide some technical improvements in the Convention Hall, their utilization might go up as well. What it comes down to is a very close working agreement with the Convention Hall, so that we do not peak at the same time. The operations are actually quite different. We get busy during the day because we look at our facility as more like an office building. The Convention Hall tends to be evening where people come and have concerts and parties, so it is actually opposite times of the day as far as the schedule is concerned. The only time there would be a conflict would be when we have a show in our facility and there is a big show in the Convention Hall—that becomes more of scheduling priority than it would be a conflict.

Councilmember Kagawa: My question was kind of more on the soundproof and ensuring that your tenants can operate and do their business while we have use at the Convention Hall, because I look at it from the perspective of the community feels like the Convention Hall was there first. They are going to want to have their use not impacted, but still, if we are going to go into this type of facility, I want to make sure that both can function, but yet the Convention Hall use will not be impacted at all. I want them to still have their full use and not have to cancel events because of this addition that we are doing. I do not know if that is something you can answer.

Mr. Tang: Yes. Thank you for the clarification. Those are the discussions that we are having with the Convention Hall Manager. He has embraced this concept and we both know very well going into it that we need to collaborate a lot in terms of the scheduling, so that there will not be a conflict. I think if anything, we both have the vision that we will enhance each other's facilities versus impacting. Of course, that is in the details when we actually work out our operating agreement.

Councilmember Kagawa: I appreciate that answer. I like that answer. I think the Convention Hall is underutilized to some extent and hopefully, like you said, that will be the outcome and the answer. I congratulate you folks and thank you for your presentation.

Ms. Kaneko: Council Vice Chair, if I could add, as Alan mentioned, some of the upgrades in technology that this project will provide to the Convention Hall will make them able to attract more performances, so a wider variety of performances that might not be able to use a facility in its current state right now. In meeting with the Manager Eddie Sarita, that is one item that he is very excited about because that does enable him to attract more business to the Convention Hall and also attract more funding for the County. That is something that we are really excited about, that synergy and that partnership.

Mr. Costa: Again, if I could add, it was my concern too about the facility because the residents use that facility a lot for parties and everything, and that was my concern about having this facility with a lot of our local families wanting to celebrate parties and weddings. Also, if we had a concert, was it going to affect the facility? Alan did a great job in addressing that. Again, they really looked at all the components of this facility. Can we share about the technology on the shelter part or is that too premature?

Mr. Tang: We can, but it is just that it is a concept.

Mr. Costa:

Okay.

Council Chair Rapozo:

He needs the votes. Go ahead and share it.

Mr. Tang: The concept is really to create a “win-win” situation for both the Convention Hall, as well as this facility and as we entered into discussions, we realized that the Convention Hall is used as an emergency shelter, which is a great facility; however, that facility does not have emergency backup power. Written into our plan, we actually have our own on-site generator, so what we want to do is to talk to engineers to see how much more it will cost for our facility to have enough generation that can power the Convention Hall and exhibition hall in case of an emergency. If we can make that work, it is definitely a “win-win” for both the County, as well as for our facility.

Council Chair Rapozo: I am excited about the partnership and I think I share the concerns of others that what I do not want to see, I guess, is let us say Spielberg comes down and he rents out the facility for three (3) months and he wants exclusive rights to the facility, and then one of our citizens calls up because they want to do a graduation party and we tell them, “Sorry, it is blocked off for three (3) months.” I really do not want to see that. I do not think that this project, as great as it is, should stop the public from utilizing that facility one day out of the year. That needs to be made clear. I am not sure how we do that legally, but I guess my point is that the Convention Hall needs to be there for the public because we do not have...aside from the Veteran’s Center, which charges an arm and a leg, we really do not have a facility for our residents and I do not want to have this project hinder that for our residents. I do not know how you make that work, but that cannot be...I do not care how much money they have and what they are filming, “Jurassic Park 12” or whatever it is, but at the end of the day, that is the people’s Convention Hall and we need to have access whenever the people need it. I do not know how we fit that in to the legal scheme of it. Councilmember Hooser, did you have your hand up? I do not remember. Councilmember Hooser, and then Councilmember Chock.

Councilmember Hooser: I just have a couple of follow-ups on the money questions that were raised. Just to be clear, besides the commitment, are the funds already expended by the County and besides the license agreement, does the business plan depend on any additional County funds to supplement Operating or Capital Improvement Projects (CIP) at this point?

Ms. Kaneko: Our intention is not to come back to the County for additional funding. That is why the fundraising strategy and the capital campaign is in the business plan and as we updated according to the location that we will have, that is why it relies heavily on our State and Federal funding, but very much so also on foundations, corporations, and other private donors. We do not have any intention right now of coming back to the County. We appreciate the funds that you have already put into the several phases from the feasibility study, business plan, implementation, and right now.

Councilmember Hooser: So the answer is, “No, future funding for operations and capital are not included in the business plan.” You are not counting on that?

Ms. Kaneko: We are not counting on coming back to the County for additional funding. Right now, there is seventy-five thousand dollars

(\$75,000) that is in the budget proposal for Fiscal Year 2015-2016, but outside of that, no, we do not intend to come back to the County for additional funding.

Councilmember Hooser: Okay. Is the West Kaua'i Technology Center on a ninety-nine (99) year license with the County as well?

Ms. Kaneko: One of the buildings is with the County. The West Kaua'i Technology and Visitor's Center is...

Mr. Costa: Kikīaola.

Ms. Kaneko: Yes, part of it is Kikīaola land and part of it is County lands, so it is different for the two (2) phases, Phase 1 and Phase 2.

Councilmember Hooser: Okay. One of the changes that was made, I believe, by your attorney...suggested by your attorney had to do with parking and because that issue was raised that was an item added that the licensee shall have a nonexclusive license, along with the public, to utilize all parking stalls located within this. It is a consideration that was included in here. I assume, although it is not indicated, that that would be as determined by a manager or whoever would allocate those. Thank you.

Council Chair Rapozo: Thank you. Councilmember Chock.

Councilmember Chock: Thank you, Chair. Just to clarify, the licenses with KEDB and the non-profit will have its own lease agreement with KEDB? What are the terms of that?

Ms. Kaneko: KEDB will be the license holder with the County, and then we will provide a sublicense to the Kaua'i Creative Technology Center, the operating entity. It will be for conditional use, specifically related to running the Creative Technology Center and its operations.

Councilmember Chock: Okay. Thank you.

Council Chair Rapozo: Councilmember Kualī'i.

Councilmember Kualī'i: I would just say that I really appreciated your comments about augment, supplement, and then collaborating in terms of the scheduling and trying to offset the peak times of the Convention Hall use. The facility then in the future will have, as far as the County looks at it, three (3) distinct facilities. I think the general members in the public, the average person, will just see this as an expansion to our current facilities and they will see a large performance area and a smaller performance area. But the area that is the exhibition hall, that is the hall that I think Chair Rapozo is talking about as far as the community using for small parties, meetings, or things like that. It is not your intention to use that space for any kind of programs that you are doing? Yes. So the only issue then would be when those three (3) spaces are utilized, would we have sufficient parking? As a part of this expansion of the facilities, can we improve the parking lot in any way and maybe reline it so that there are more spaces or just do some improvements to provide more parking spaces? Will you look at that with the County?

Ms. Kaneko: Currently in terms of coordinating, as Alan mentioned, we are going to work very closely; KEDB with the oversight and accountability with the Kaua'i Creative Technology Center. We will work very closely with the Convention Hall to make sure that we do not have conflicting big events, in terms of parking. We are also looking at the dirt area by the tennis courts to see if we could turn those into additional parking spots.

Council Chair Rapozo:

Councilmember Yukimura.

Councilmember Yukimura: I have been listening to this conversation with great joy. One, thank you for being here and for all the work that has gone into this very comprehensive planning that is setting the foundation for success for a very bold vision. I also want to compliment the Council for the questions and concerns that have been raised here. I feel that it has been a very productive discussion. George, thank you for acknowledging now Managing Director Nadine Nakamura, who not only was part of this Council or the prior Council who approved the initial funding, but who was also part of the CEDS process. She was truly one of the mothers of this project. I also want to acknowledge Tim Bynum and Jay Furfaro, who were part of the previous Council and who did really support this. In terms of Councilmember Kaneshiro's questions about sustainability, which I really appreciated, your three (3) major sources of income you mentioned were facility rentals, earned income, and grants and contributions. What kind of earned income do you have in mind outside of rentals?

Mr. Tang: So what this facility will provide in terms of services, as well as facilities and equipment...there is going to be a fee to be able to use the facility or to be able to check out equipment. The equipment will be at different levels: the entry level, as well as the higher-end professional level. The programs will actually be a huge part of it. When you have to take a class, there is going to be a small fee involved. That is the earned income portion of it that we will be able to generate. If there are opportunities where we can help businesses grow, there might be an opportunity where the center can get a percentage of the initial portion of it, so that it has low upfront costs to the participants, but as they succeed, the center will succeed as well. That is really the component, which is for this facility to really thrive on its earned income and be less dependent on contributions.

Councilmember Yukimura: It is also a way to take advantage of the more high-end users, so that we can subsidize some of the community use and not charge high fees for community use.

Mr. Tang:

Exactly.

Councilmember Yukimura: The vision is one of a community facility, but in order to really make it work, the high-end is a piece too. You do not want the "high-end tail to wag the community dog," but the balance is what you have to achieve and I really do appreciate your background and experience, Alan, that can take us to business plans and operating agreements that really flush out the details on which things can either work or fail. Thank you for that. You talked about a twenty and a half million dollar (\$20,500,000) construction basically—well, it includes two million dollars (\$2,000,000) operating.

Mr. Tang: The entire project budget is twenty and a half million dollars (\$20,500,000). The construction is actually much less.

Councilmember Yukimura: Project budget.

Mr. Tang: So the construction budget is about eleven million dollars (\$11,000,000) and of that we have three million dollars (\$3,000,000) in equipment, computers, and things like that; Furniture, Fixtures, and Equipment (FF&E) that goes into it.

Councilmember Yukimura: See, that is how detailed you think. Then two million dollars (\$2,000,000) operating is also included in that twenty million dollars (\$20,000,000).

Mr. Tang: Correct.

Councilmember Yukimura: What is the other three million five hundred thousand dollars (\$3,500,000)?

Mr. Tang: That portion is the predevelopment, which is the money that we need now to be able to keep the project going before we actually start the construction. The next phase is actually a lot of the environmental impact and assessment studies, the engineering studies. All of that is what we call "predevelopment," so we need money for that as well.

Councilmember Yukimura: Even in your architectural renderings to help us visualize and all of that is predevelopment too.

Mr. Tang: Yes.

Councilmember Yukimura: Twenty million dollars (\$20,000,000) is really a lot to raise and I have not refreshed my memory by looking at your business plan, but the amounts that you are talking about are fairly small, given the twenty million dollars (\$20,000,000). Are you looking at an entity like the Economic Development Administration, which I believe can give a larger amount?

Mr. Tang: Do you want to answer that?

Ms. Kaneko: Sure. I recently met with Gail Fujita in Honolulu of EDA, so we have already started working with them. Our intent is to go in for a three million four hundred thousand dollar (\$3,400,000) request from EDA.

Councilmember Yukimura: Okay. Can you explain a little bit more in detail about how we are going to enable the Convention Hall to attract more business? I think it had something to do with sound recordings, if I recall. I thought that might help people understand.

Mr. Tang: I think we are in the exploratory stage in what our facility and project can provide, which is really the technology enhancement that we can add to the Convention Hall. It would be recording facilities and it might even be projection facilities. In the staging area, we might be able to improve that so it allows for us to do some of our productions, but also allows the Convention Hall to attract a more technical type of productions. We still need to iron out all of those details, but there is the openness to do the exploration to see what is desirable and what we can afford to build.

Councilmember Yukimura: Okay. Susan, I loved your word about a “talent-rich community,” and I see Serge back there who is one of our talented community members. I am thankful, Alan, that you kind of reined them in on this project, so that we could use their insights and thoughts and also their support for this work. I am thinking that is one of the assets of a small population community. Councilmember Kaneshiro talked about if this were in Honolulu, it would be so easy because there are greater economies of scale, population base, and all of that. One thing we are rich in is talent and I also see Anne Punohu here who is a talented artist. That is all very good. I imagine that there will be a rent schedule that is graduated in terms of community and high-end users.

Mr. Tang:

Yes.

Councilmember Yukimura: Okay. I guess the other thing I really want to thank you for is that I love the thought that we are going to set the bar at a Sundance Festival quality and I really believe that this commitment to excellence in how we develop this facility and how we set up the foundation is very, very good. I actually want to recommend to George this process for the Kilauea Agricultural Park and other things that we are working on, because this is the kind of groundwork that we need to see for any project that uses public moneys. Thank you.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: I was going to bring this up later, but I think it might be a good time. I am still trying to figure out the logistics of everything and I think what complicates this more than, say, the YMCA or the Philippine Cultural Center is that the YMCA and Philippine Cultural Center had an open lot that they constructed their own facility. In this case, we are kind of like a shared facility where we are connected to the Convention Hall. I know you have mentioned an operating agreement, but how are we going to handle things like common area and maintenance for the parking lot? Is the County going to do it? Will the costs get shared for landscaping? Also, I am just thinking that when the buildings connect, say, the new Center wants to replace their roof, our County roof is taking a while to get approved and maybe the Council is holding it back. How do you work through those types of logistics? If there is a connection door, who is going to be responsible for these common areas and sidewalks around the facility? Everyone is going to use it, so who is going to be responsible for those types of things, I guess, is what I was trying to think? I do not know how you are going to address that.

Mr. Tang: That is an excellent question. I will address that philosophically. Those details need to be ironed out. The “devil will be in the details” and that is something that we will be very interested in doing as we have been from the very beginning as part of this process. I have to say that we have an excellent working relationship with the Convention Hall Manager. We have a lot of transparency and openness in our discussions right now and one of the things that I actually am very privileged to was listening to our late Senator Inouye, who said that you “agree on the vision first, and then you work out the details.” We are very much on the same page for the vision that we have for both facilities on this property. I look forward to working with the Parks Director and the Convention Hall Manager to actually work out a lot of these details.

Councilmember Kaneshiro: Thank you. There is a lot that can go into that. How do you maintain the building? Who is responsible for what? Also, if you

are improving the equipment or facilities in the Convention Hall, who is responsible for upgrading that or who is dictating what needs to be replaced? I could see if I said, "Hey, we are going to refurbish the whole Convention Hall for you," then it starts to deteriorate a little bit and we say, "Hey, it is not up to the standards that we put in, so who is going to pay for that now?" That type of continued maintenance and the continued working relationship, I think, could get hectic. Ten (10) or twelve (12) years down the road when we really want to start doing things—either we are holding it up or there is a disagreement. That was my main concern. Also on the sublicense agreement...this license agreement is a pretty general agreement. I do not know if that is where those types of terms or conditions would come into the sublicense agreement. I was wondering if we are going to need to approve the sublicense agreement or is that something that KEDB solely does.

Ms. Kaneko: KEDB will certainly have a sublicense agreement with the CTC operating entity. I think I will have to defer to the Deputy County Attorney to address the overview, the purview that the County has on that.

Councilmember Kaneshiro: Are we going to take attorney questions later?

Council Chair Rapozo: We are going to have to take a caption break soon, so I want to kind of wrap up with them so when we take our caption break we will come back and bring up the attorney.

Mr. Costa: I would like to just respond. Thank you, Councilmember Kaneshiro, for your insightful questions. In my past life managing resorts, especially in condominium associations where there are multiple associations and common areas, it is going to be crucial that the entities involved can work together and I am being very optimistic because so far we have been able to work collaboratively and positively, especially with Lenny Rapozo and the facilities manager. We have looked at some of those concerns, but obviously, we definitely need to work out more details as part of that.

Councilmember Kaneshiro: Thank you. Because the way I see it, I worked with homeowners' associations and condos, so you will probably have a maintenance plan for the new facility; there is a Convention Hall facility; and then there is the reserve account or whatever for the shared facility. You just need to be clear on who is responsible for the three (3) sections. Thanks.

Council Chair Rapozo: Any other questions? Councilmember Yukimura.

Councilmember Yukimura: You know on the parking issue, I think you just want to maybe coordinate also with the idea of a Lihue shuttle and how that would work because as we redevelop this core area, parking will become a greater issue, and the mobility issue will need to be tied in. Also, when we and if we attach the business plan, we just have to make sure that because it is an evolving plan, we are not tying parties to the details, but that it just is an example or it is a reflection of the intent. On the sound system for the Convention Hall, I believe you told me, Alan, that one possibility is improving the ability to videotape and whatever happens in the auditorium itself. Because of the better quality, it will be able to attract more productions there. Is that something that is going to be looked at?

Mr. Tang: Yes. We have not finalized the details, but the ability to do video and audio recording in that facility would be suddenly an extension of where we are at because the proximity of our facility is just a matter of piping the necessary wires to our control room in our facility that we can provide and service to the Convention Hall. Other improvements, in terms of the sound quality and the sound equipment in the Convention Hall, those are details that we still need to work through, partly because we have restrictions from private funders in terms of what kind of moneys, what we can do, and what they will permit. As Councilmember Kaneshiro said, those are a lot of the details that we need to work on in both the operating and maintenance agreements.

Councilmember Yukimura: Yes. There are a lot of complications. It is nice to have a property manager on the Council. At the same time, as we are able to work together, the synergy of possibilities also is really good, so it is worth doing the work. Thank you.

Council Chair Rapozo: Any other questions?

Mr. Costa: I have one more response. Councilmember Yukimura, thank you for the suggestion of parking and addressing the shuttle. In our previous discussion, we did include Lee Steinmetz and we talked about the parking audit that was conducted. It is interesting to note that when the Convention Hall facility has several events going on at same time, parking is at a premium. In the parking audit, it was brought to our attention that there is parking over here at the Civic Center, so one of the ideas is looking at a couple of pathways from the Convention Hall site to go between Wilcox and the ball field to have a path there; maybe a path that runs on the side of the ball park to connect parking here to that facility, along with a shuttle idea.

Council Chair Rapozo: Councilmember Chock.

Councilmember Yukimura: Just to add...

Council Chair Rapozo: We are trying to wrap this up. We can go into all the possibilities and we will never leave.

Councilmember Chock: So here is another possibility, and it is along the lines with what Councilmember Kaneshiro said, which is the concern of the construction noise as it develops and the impact it has on the Convention Hall. This is just a consideration. Thank you, Chair.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: The other consideration is the development of Rice Street, which the Planning Department and County is embarking on and the need for parking to enable those buildings across Rice Street from the Convention Hall. So there are a lot of things going on and a lot of possibilities, but also a lot of things that we have to be very conscious of as we do the individual development plans. Thank you.

Council Chair Rapozo: There is also the five (5) level parking structure and the underground parking subway that goes to Kapa'a—there is a lot of things. Right now, we are discussing the facility and the license agreement. I have been pretty lenient because it has been good dialogue, but I think we have to

bring it back to the focus of the discussion. Are there any more questions for the panel? If not, thank you. We will take our ten (10) minute caption break. Ian, you will be up next for the legal questions. Thank you.

There being no objections, the meeting recessed at 11:02 a.m.

The meeting reconvened at 11:13 a.m., and proceeded as follows:

Council Chair Rapozo: Ian, may you come up? The rules are still suspended. Councilmember Hooser.

Councilmember Hooser: I have a list, but I will try not to take too much time, Chair. I think they are important to at least raise the points. I see that everyone has already signed the document, except for the County Clerk.

Mr. Jung: Correct.

Councilmember Hooser: Is that normally how it is done? Do you not come to us first for approval, and then you get it signed?

Mr. Jung: From my experience in the last six (6) years, we always want to make sure that we have the document fully executed, so that the last signature is the County Clerk on behalf of the County Council, but does not foreclose the opportunity for you to suggest amendments or anything like that.

Councilmember Hooser: Okay.

Mr. Jung: So what has happened in the past is that you suggest amendments, make a motion on those amendments, and then give the authority to execute based on those amendments. But it is up to you folks.

Councilmember Hooser: Okay. Again, the document that we were given is not the document that was signed. I have gotten the handwritten notes showing what was noted.

Mr. Jung: Correct.

Councilmember Hooser: That seems to cover some of the changes, but not all of the changes. There are changes, for example, number 21, which says, "The licensee may terminate this license to turn over all improvements within fourteen (14) days with notice." So it basically gives the licensee the right to terminate in fourteen (14) days notice if economically it cannot be operated. That was an addition that was not in the notes that were given to me noting the additions.

Mr. Jung: Those were in the notes. I had to bounce it up because we created a new number, so the numbering sequence is off.

Councilmember Hooser: Right.

Mr. Jung: So you want to take a look at...

Councilmember Hooser: The only notes are on this one page.

Mr. Jung: No, there are a number of notes.

Councilmember Yukimura: We do not have all the pages.

Councilmember Hooser: We only have one page of notes.

Mr. Jung: I think what might have happened is when I print things, I print it double-sided to save paper, so it might have got...

Councilmember Kualii: All the even pages are missing.

Mr. Jung: We can get that for you.

Councilmember Hooser: I think I have it now. It is just not the best way for me to make decisions, now working with now four (4) different sets of notes. I will go with what I have. With that one provision, basically, it is added in that says, "The licensee may terminate the license to turn over all improvements with fourteen (14) days written notice if they decide that it cannot be economically operated."

Mr. Jung: This provision, from what I understand, was requested by KEDB because implied in the license agreement is the fact that they can cancel the license and discontinue the use of the license, so they just wanted to iron that out on when they could potentially opt-out.

Councilmember Hooser: So that gives them fourteen (14) days notice to then give us the improvements. We have been through this with other vendors, if would you, where there is no bond, there is no insurance, and improvements are not complete. So are there any requirements for bonding or performance, or having the licensee restore the property to its original state, that kind of thing? If worst case scenario there is a building under construction and the contractor goes broke and it is a mess, how does the County protect it from not having to deal with that mess financially?

Mr. Jung: There is a provision that I will try to find and identify for you, but the licensee shall not commit waste to it, which causes the County additional money. I will find it for you.

Councilmember Hooser: I saw that, but I am not sure if there is a provision again for bonding or for some financial assurance.

Mr. Jung: If it is a question of bonding, there is no requirement of a bond because the only time the County gets involved with bonding is through the Grading Ordinance and the Subdivision Ordinance. If this body feels it necessary to become progressive, then we could look at that option of requiring a bond on the building to avoid the non-profit of going under and having to deal with only half a building. If that is the will of the body, we can certainly look at doing that, but for other license agreements we have not required that.

Councilmember Hooser: Do we have any other license agreements that are allowing the scale of this, the multimillion dollar facility's construction and operation?

Mr. Jung: Center and the YMCA pool facility.

Yes. We have the Kaua'i Philippine Cultural

Councilmember Hooser: Okay. So that provision to terminate fourteen (14) days—there is no other requirement to the licensee in terms of restoring the property or getting rid of whatever is on there?

Mr. Jung: Once we get the property, there is a provision in here that requires them to restore it on our option and I will find it for you.

Councilmember Hooser: Okay. There seems to be an error on one of it also. If you look at provision number 10...

Mr. Jung: You are looking at the current document, right?

Councilmember Hooser: I am looking at not the one that was provided us with the agenda, but the one that they signed. Does everybody have a copy?

Council Chair Rapozo: Everyone has a copy of what you are looking at, the signed copy that was provided; not the one with the notes, but the signed one. Everybody has that.

Councilmember Hooser: The signed copy number 10 says, "Except as provided in Section 22 of this license," and then if you go to Section 22, it is not the same Section 22 that was in the prior lease, so I think when the changes were made, those changes were not incorporated.

Mr. Jung: That is correct. It should now be 24.

Council Chair Rapozo: Let me just do this—I do not know yet what more there is and if there are more issues, Ian. I do not know if we are ready to address this today. I was ready to vote on this, I really was, but I am concerned now because of this clerical stuff when we are dealing with another attorney that is sending us notes and we are just adding them in. I am going ask that we send this back to the Committee and do the discussion in Committee because we have taken up way too much time on a legal document at the full Council Meeting. Councilmember Yukimura.

Councilmember Yukimura: I believe time is of the essence. I agree that we need a good license agreement, but I think we need to know the context of some of the work that KEDB is doing along with the County, in terms of what is happening at the Legislature this year, just so that we are fully aware of what all the implications are of delay. One other option, if the Council and Chair are in agreement, is to allow a new agreement to be done and move this to the end of the agenda to see if we can get it done today. But as long as we know what the time issues are. Could we suspend the rules?

Council Chair Rapozo: Is there a time issue with this?

Mr. Jung: From what I understand, the Legislature is dealing with the Grant-In-Aid for this project on April 15th, but I will leave it to Alan to identify that.

Council Chair Rapozo: I just do not think it is the Council's job to find these things. That is why. I am not blaming you, KEDB, and I trust your organization. I trust all the work that has been done, but this is not where we are supposed to be finding these kinds of things. Today was supposed to be here, a few questions, and then boom. Now, everybody is looking for mistakes and I respect that because this is not where we are supposed to be finding these things.

Ms. Kaneko: Thank you, Chair, and thank you for these questions. We definitely respect that you do want to have the document as-is that you would like to review, and we appreciate Councilmember Yukimura's suggestion on perhaps delaying this to the end of the day, so that we can make sure we have the accurate document for you. There is some time sensitivity to this, just because we have submitted the State GIA application and so what they will doing is next week, I believe on the 14th, they are going to announce the budget for their GIA funding, so that implies that they are making their reviews. So having the license agreement is really crucial for us to make an even stronger case for them to know that we have a site and we are moving ahead. When we have gone to talk to our State Legislators in the past, that was one of the number one questions that they had, which was, "Do you have a site secured?" So what we have told them is that we have been working with the County on this license agreement and we should have the license agreement hopefully confirmed before the decisions will be made on the funding, so this is very crucial for that component.

Council Chair Rapozo: Okay. Thank you. With that, I will call the meeting back to order. Go ahead.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Hooser: I was just going to say that whatever the body wants to do, I would be happy to meet with the County Attorney on a break or something to share other concerns that I have. He could do whatever he wishes to do to represent the County on this one.

Council Chair Rapozo: This is what I will do. We will move it to the end of the agenda today and take it as the last item today, so you all can get together, and if you have concerns. But if it is going to go down this road, then it is going to be referred to a committee because this is not where we do this. We will do that. I respect the request and I think it is important because I want this project to work, I really do. I think this is great for Kāua'i and everything that you have talked about and the work you have put in; I want this to work, but I also want to be comfortable when we approve a ninety-nine (99) year lease or license or whatever it is called. With that, if there are no objections, we will move this to the last item of the day. Thank you.

CLAIM:

C 2015-119 Communication (03/23/2015) from the Deputy County Clerk, transmitting a claim filed against the County of Kāua'i by Pierre A. Plotkins, for reimbursement of expenses and damages to his vehicle, pursuant to Section 23.06,

Charter of the County of Kaua'i: Councilmember Kagawa moved to refer C 2015-119 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Councilmember Kualii, and unanimously carried.

COMMITTEE REPORTS:

HOUSING & TRANSPORTATION COMMITTEE:

A report (No. CR-HT 2015-03) submitted by the Housing & Transportation Committee, recommending that the following be Received for the Record:

"HT 2015-01 Communication (03/09/2015) from the Housing Director, requesting agenda time to brief the Committee on the process established by the Housing Agency to fast-track eligible projects on Kaua'i, pursuant to Hawai'i Revised Statutes (HRS) Chapter 201H-38,"

Councilmember Kagawa moved for approval of the report, seconded by Councilmember Kualii, and unanimously carried.

BUDGET & FINANCE COMMITTEE:

A report (No. CR-BF 2015-12) submitted by the Budget & Finance Committee, recommending that the following be Received for the Record:

"C 2015-87 Communication (02/27/2015) from the Acting Director of Finance, transmitting for Council information, the Period 5 and 6 Financial Reports – Detailed Budget Reports, Statements of Revenues (Estimated and Actual), Statements of Expenditures and Encumbrances, and Revenue Reports as of December 31, 2014, pursuant to Section 21 of Ordinance No. B-2014-781, relating to the Operating Budget of the County of Kaua'i for the Fiscal Year 2014-2015,"

Councilmember Kagawa moved for approval of the report, seconded by Councilmember Yukimura, and unanimously carried.

A report (No. CR-BF 2015-13) submitted by the Budget & Finance Committee, recommending that the following be Received for the Record:

"C 2015-91 Communication (03/06/2015) from the Acting Director of Finance, transmitting for Council information, the Period 7 Financial Report – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of January 31, 2015, pursuant to Section 21 of Ordinance No. B-2014-781, relating to the Operating Budget of the County of Kaua'i, for the Fiscal Year 2014-2015,"

Councilmember Kualii moved for approval of the report, seconded by Councilmember Kagawa, and unanimously carried.

A report (No. CR-BF 2015-14) submitted by the Budget & Finance Committee, recommending that the following be Approved:

“C 2015-107 Communication (03/10/2015) from the Executive on Transportation, requesting Council approval to apply for, receive, indemnify, and expend an additional allocation from an existing annual grant award from Federal Transit Administration (FTA) Section 5311 funds provided to the County of Kauaʻi in the amount of \$1,000,000, for operational and capital expenses,”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Kagawa, and unanimously carried.

A report (No. CR-BF 2015-15) submitted by the Budget & Finance Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2581 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2014-781, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*Office of the County Auditor, Consultant Services - \$225,000*),”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Kagawa, and unanimously carried.

RESOLUTIONS:

Resolution No. 2015-27 – RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2015 ACTION PLAN (HOME INVESTMENT PARTNERSHIPS PROGRAM) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE II OF THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT (PUBLIC LAW 101-625), AS AMENDED: Councilmember Kualii moved for adoption of Resolution No. 2015-27, seconded by Councilmember Kagawa, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2015-28 – RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2015 ACTION PLAN (COMMUNITY DEVELOPMENT BLOCK GRANT) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AND 1987 (PUBLIC LAWS 93-383 AND 100-242), AS AMENDED: Councilmember Kualii moved for adoption of Resolution No. 2015-28, seconded by Councilmember Yukimura, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2015-32 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE FIRE COMMISSION (*Mari L. Yokoi*): Councilmember Kualii moved for adoption of Resolution No. 2015-32, seconded by Councilmember Yukimura, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2015-35 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE POLICE COMMISSION (*Savita Agarwal*): Councilmember Kualii moved for adoption of Resolution No. 2015-35, seconded by Councilmember Yukimura.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: Thank you, Chair. I will be voting to approve with reservations, not because of Savita, but only because I do not want this to become a recurring theme for the Mayor to allow a commission member to transfer midterm. I believe that we have many outstanding people out there who can serve and I do not feel it is a good practice to be changing commission members in midst of their current term. She was on the Fire Commission and her real passion from the beginning was the Police Commission. There was an opening and that is why I will be approving this today; however, I think we should hold off approving somebody that does not want to be on a certain commission and really wants to be on another commission. Just wait for them to have that commission opening. We can anticipate when these dates are and we can just tell the applicant that your spot on the Police Commission can be considered a year from now or what have you, but I do not want to see the practice of letting commission members change a voluntary position occur. There are a lot volunteers out there to serve. I hope that this is a rare occurrence. Going forward, I think we should have commission members serve their entire term and I think that is where we get the most “bang for our buck” with the experience that they gain on a commission. To me, in some ways it is a loss of experience for the Fire Commission to have somebody serve for a time and now we have to reteach and relearn the duties of that Fire Commission member. I will be approving with reservations. Thank you, Chair.

Council Chair Rapozo: Thank you. Councilmember Yukimura.

Councilmember Yukimura: I can respect Councilmember Kagawa’s concerns. I just want to say that I think Ms. Agarwal will be a very positive addition to the Police Commission. She is a strong, independent woman who is committed to the well-being of the community, especially children and women. We need more women on the Police Commission, for one thing. Also, she is just a good thinker and committed community person, so I am very happy that she has been

appointed. To her defense, and I know Councilmember Kagawa is speaking more of the process rather than the person, but she did express at the very outset that the Police Commission was her interest. I am glad that she is finally able to serve there.

Council Chair Rapozo: Thank you. Anymore comments? I will say that I am supporting the Resolution because Savita is, I believe, qualified, but I will agree with Councilmember Kagawa that as the Office of Boards and Commissions reviews these applications, they should be looking for applicants that are committed to serve the full term. If it is not what they want, they can wait for the commission that they do want; exactly what Councilmember Kagawa was saying. I do not disagree with that at all. Like he said, there are many people out there willing to serve, and I stated in the last discussion that we had, that we have to fill the funnel with more names because that is the problem or the perceived problem, but I believe there are enough people out there that if we let them know we are looking, they will come. I will be supporting this, but I would assume Councilmember Kagawa, that would be his first question on any future interviews of appointees, "Are you committed to serve the entire term?" If he does not ask that, I will. With that, roll call.

The motion for adoption of Resolution No. 2015-35 was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii,	
	Yukimura, Rapozo	TOTAL - 7,
AGAINST ADOPTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Resolution No. 2015-36 – RESOLUTION ELIMINATING LEFT TURNS FROM HARDY STREET ONTO KUHIO HIGHWAY, LIHU'E DISTRICT, COUNTY OF KAUAI: Councilmember Kagawa moved for adoption of Resolution No. 2015-36, seconded by Councilmember Yukimura.

Council Chair Rapozo: Thank you. Discussion? Councilmember Kagawa.

Councilmember Kagawa: Before we call Mr. Dill, I have witnessed, as a Driver's Education Instructor, how dangerous that left turn is and for the most part, I would say, "Let us do this before somebody gets killed there." Cars coming up on Kaumuali'i Highway are flying and it is two (2) lanes of cars. There are a lot of cars that want to make this left turn onto Hardy Street. A lot of courtesy is required, but you do not want to have courtesy rule where you have double lanes traveling. It is just a very huge safety issue. It will take some education for tourists to know that you still can get onto the two (2) lane road by simply taking a right here and turning into a left turn road, such as the one by the old Garden Island newspaper road, and then coming back around and making a simple right turn and getting onto Kaumuali'i Highway. There are avenues and surely a stop light or something could accomplish that, but I think a stop light would really back traffic up onto an already overloaded Highway. I will be supporting this. If we do need the County Engineer to answer some questions, I am fine with that. Just for safety issues to protect public safety, I really have no questions for the County Attorney. Thank you, Chair.

Council Chair Rapozo: Any other discussion? Do we need a presentation by Public Works? No. You had a question. Okay. If there are no objections, we will suspend the rules. Larry, could you come up?

There being no objections, the rules were suspended.

(Councilmember Hooser was noted as not present at 11:34 a.m.)

LARRY DILL, P.E., County Engineer: Good morning. For the record, Larry Dill, County Engineer.

Councilmember Kuali'i: I just have a couple of quick questions. I do not need a presentation. Is this only looking at Hardy going towards Kūhiō Highway and the left turn onto Kūhiō Highway?

Mr. Dill: That is correct.

Councilmember Kuali'i: So it is not Kūhiō Highway taking a left turn onto Hardy?

Mr. Dill: Correct.

Councilmember Kuali'i: I think there are similar problems with both, I would think.

MICHAEL MOULE, Chief of Engineering: I am Michael Moule, Chief of the Engineering Division, for the record. It is good to be here again, as usual. Yes, it is only to restrict the left turn from Hardy Street onto Kūhiō Highway. This is in relationship to the State Department of Transportation (DOT) projects, as you have seen the Līhu'e Mill Bridge complete now with two (2) lanes in each direction. Their goal is to have two (2) through lanes in each direction all the way through town, essentially now, with this project being completed. It is temporarily striped right now for the left turn into Hardy Street, but there is enough room and they have designed it for and ready to restripe this within the next several weeks, I think, to allow...right now, I think there is still one through lane on Kōloa bound Kūhiō Highway there and one left turn lane. That is going to become two (2) through lanes and there is room for additional, relatively short, but it is still a left turn lane onto Hardy Street. The rule of thumb on this, generally speaking from a traffic engineering safety perspective, is that making a left turn across two (2) oncoming lanes is a much safer movement generally speaking than making a left turn across two (2) lanes here, coming from Kaumuali'i Highway, as Councilmember Kagawa was saying a moment ago, as well as trying at the same time enter the stream of traffic in the other direction, in Kōloa bound traffic on Kūhiō Highway there. There currently is a small storage lane for those left turns out of Kūhiō Highway, but because of the need to carry two (2) through lanes through to the new widened bridge, there is no room for that storage lane. There is room for a left turn lane into Hardy Street, but not for that storage lane coming out from Hardy Street. DOT recommended removing that left turn movement, and we agree. I should also mention just for your information that as part of their project, they are also looking to add a double left turn lane from Rice Street to Kaumuali'i Highway to make up some of the capacity lost by removing the left turn from Hardy onto Kūhiō Highway. Overall, we have talked this over in detail with the DOT and our staff. With our Hardy Street project...when that is complete and what we are planning with 'Eiwa Street, as we have come to you before with one-way towards Rice Street, it fits in

pretty well to allow double left there off of Rice Street. There is room for it within the existing pavement to put that there.

Councilmember Kualii: So the removal of the left turn lane includes installation of a raised median, so what would the transition be like? Will that happen overnight?

Mr. Moule: So in the short-term, the DOT will restripe the lane and probably what we will likely do is put in just some temporary barricades. As you know, we are under current construction for Hardy Street right now. We will put temporary barricades in that left turn lane to block it off and signs that say "No Left Turn." The Hardy Street project is a design-build project and so the consultant is working on the final design for that intersection based on this change. As they get to that part of the street, we will put in the new final design. Temporarily, it will be barricaded with temporary barricades with "No Left Turn" signs similar to the way Eiwa Street is at the moment. In the long-term, meaning in the next few months, we will be putting in a physical raised median there in the short-term...sorry, for the longer term period.

Councilmember Kualii: Other than seeing the temporary barricades go up, are we doing anything to let the public know that this is coming?

Mr. Moule: Yes. We have to go through the process of the Resolution first, but with something like this, we would absolutely do press releases and let the radio stations know, so that they can let everyone know this change is going to happen. We regularly work with the State DOT and our communications folks in the Mayor's Office on providing that information to the public.

Councilmember Kualii: Okay. Thank you.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I lied—I do have a question. As we do this project, are we going to eliminate the left turn storage lane turning from Kūhiō Highway to Hardy Street?

Mr. Moule: The one that is there now will be moved over and there will be a left turn storage lane from Kūhiō Highway to Hardy Street. It would be relatively short.

Councilmember Kagawa: So there will still be the storage lane, so that the two (2) lanes will be able to flow.

Mr. Moule: Yes. There will be two (2) lanes, plus that turn lane.

Councilmember Kagawa: Beautiful.

Mr. Moule: At times, that may not be long enough because there is just not that much room out there.

Councilmember Kagawa: I understand.

Mr. Moule: It will be a lane.

Councilmember Kagawa: Okay. The second question is did we do any traffic counts on how many cars—I am just curious—that attempt this left turn on a regular working day? I do not envision that number being that high.

Mr. Moule: It is relatively low because it is self-selecting. Most people realize that it is a hard turn to make and they use Rice Street. I have seen people do it. I have done it a few times. If I do it, it is during the off-peak time.

Councilmember Kagawa: So the State did not do a traffic count on that also?

Mr. Moule: No.

Councilmember Kagawa: Okay. Is there a guestimate of how many cars attempt it?

Mr. Moule: I am not going to try to guess.

Councilmember Kagawa: Okay. Thank you.

Council Chair Rapozo: Anyone else? Thank you. Meeting is called back to order. Anyone else in the audience wishing to testify? If not, the motion is to approve. Roll call, please.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion for adoption of Resolution No. 2015-36 was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7*
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Hooser was noted as silent (not present), but shall be recorded as an affirmative for the motion.)*

Council Chair Rapozo: Madame Clerk, may we go on to Bill for Second Reading, please?

BILL FOR SECOND READING:

Bill No. 2581 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2014-781, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND (*Office of the County Auditor, Consultant Services - \$225,000*): Councilmember Kaneshiro moved for adoption of Bill No. 2581,

on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Kuali'i.

Council Chair Rapozo: Any discussion? Councilmember Kagawa.

Councilmember Kagawa: In my former life, I worked for a Certified Public Accountant (CPA) firm and I just want to say that I do not know who we will get in the next audit, but in the past three (3) years, I have been very impressed with the work of N&K and their answers. Basically, I am very pleased with the annual audits. Thank you.

Council Chair Rapozo: Thank you. I really do not know who we are going to get either right now. I do know who we are not going to get, but I cannot say. Any other questions or comments? If not, roll call.

The motion for adoption of Bill No. 2581, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i,	
	Yukimura, Rapozo	TOTAL – 7*,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Hooser was noted as silent (not present), but shall be recorded as an affirmative for the motion.)

Council Chair Rapozo: Can we have the Executive Sessions read, please?

EXECUTIVE SESSION:

ES-784 Pursuant to Hawai'i Revised Statutes Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing, discussion and consultation regarding the status of claims filed against the County of Kaua'i. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-786 Pursuant to Hawai'i Revised Statutes Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing to provide information regarding Carl A. Ragasa vs. County of Kaua'i, et al. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-787 Pursuant to Hawai'i Revised Statutes Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing regarding Association of Apartment Owners of Kulana vs.

Travelers Casualty and Surety Company of America; County of Kauaʻi (Civil No. 12-0027) and related Cross-claims and Counterclaims, as well as a request for approval of a proposed tax compromise for the Association of Apartment Owners of Kulana Condominium. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Kagawa moved to convene in Executive Session for ES-784, ES-786, and ES-787, seconded by Councilmember Chock.

Council Chair Rapozo: Thank you. Anyone in the audience wishing to testify? If not, we have a couple of options. Are the County Attorneys ready to go into Executive Session?

Councilmember Kagawa: Do we expect it to go long? If not, my suggestion is that we break for lunch, come back at 1:30 p.m., tackle what we have to do, and then when we go into Executive Session, so we can let BC go.

Council Chair Rapozo: That is what I am thinking and the other reason is because we have some Councilmembers that want to meet with KEDB and attorneys for the Legal Document, so this will be a good time that we can get all of that done and that will also give our staff a little extra time for lunch. If there are no objections, let us do that. Any objections?

Councilmember Kagawa: Before we agree to that, can the Executive Sessions be tackled by 12:30 p.m.?

Council Chair Rapozo: I can tell you that it will not, only because I have read it and I think it is going to go longer than forty-five (45) minutes. With that, let us take the vote to go into Executive Session, so that we do not have to do this exercise. As Councilmember Kagawa said, when we are done with the Resolution and the Legal Document, BC can leave. Any discussion or questions? If not, roll call.

The motion to convene in Executive Session for ES-784, ES-786, and ES-787 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Chock, Hooser, Kagawa, Kaneshiro, Kualī'i,	
	Yukimura, Rapozo	TOTAL – 7*,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kauaʻi, Councilmember Hooser was noted as silent (not present), but shall be recorded as an affirmative for the motion.)*

Council Chair Rapozo: With that, we will break for lunch and be back at 1:30 p.m.

There being no objections, the meeting recessed at 11:46 a.m.

The meeting reconvened at 1:51 p.m., and proceeded as follows:

(Councilmember Hooser is noted as present at 1:51 p.m.)

(Councilmember Yukimura is noted as excused at 1:51 p.m.)

Council Chair Rapozo: Can we have the next item, please?

RESOLUTIONS:

Resolution No. 2015-37 – RESOLUTION OPPOSING HOUSE BILL NO. 321, AS AMENDED, RELATING TO MEDICAL MARIJUANA, AND SENATE BILL NO. 879, AS AMENDED, RELATING TO MARIJUANA: Councilmember Kagawa moved for adoption of Resolution No. 2015-37, seconded by Councilmember Kualii.

Council Chair Rapozo: Thank you.

Councilmember Kagawa moved to amend Resolution No. 2015-37 as circulated, as shown in the Floor Amendment which is attached hereto as Attachment 1, seconded by Councilmember Kualii.

Council Chair Rapozo: Thank you. As you can see, the original resolution was amended to basically bring it up to current after some of the activities of the State Legislature, so I am assuming that is available for the general public. At this time, I have a short presentation that I will make as the introducer, so I will turn the Chairmanship over to Vice Chair Kagawa while I do the presentation. It is not that long.

Chair Rapozo, the presiding officer, relinquished Chairmanship to Council Vice Chair Kagawa.

Councilmember Kagawa: Thank you. You may begin, Chair, when you are ready.

Council Chair Rapozo: Let me just start by saying that the State Legislature is attempting to pass some bills involving medical marijuana, and I am in no way shape or form opposed to the use of medical marijuana here in the State. It is a legal activity and I am not going to get into the debate of whether it is safe or not. That is for another discussion. But I do want to ask for the support of this Resolution, so we can let the State Legislators know that we have some concerns with the track that they are on. Let me just start with this slide because I think it is so appropriate. "Smart people learn from their mistakes. But the real sharp ones learn from the mistakes of others." This is a recent quote from Ben Cort, who is the Director of Professional Relations for the Center for Addiction Recovery and Rehabilitation at the University of Colorado Hospital. He said, "The ugly truth is that Colorado was suckered. It was promised regulation and has been met by an industry that fights tooth and nail, any restrictions that limits its profitability." I did not make that up. I think that is kind of what Kauai or Hawaii is being promised...the legislation, regulation. The fact of the matter is there is very little regulation in this bill as it relates to the safety of our people. I am not going to read all of this stuff. I do want to highlight certain areas because this really talks about the legalization of recreational marijuana on Oahu and there is a difference. However, the track that Hawaii is on is heading for this track and the fact of the matter is that what this bill will try to do is legalize dispensaries, which will be able to disseminate marijuana and marijuana products to people with cards. I know the

big argument is, "You know, Mel, there are only people with cards and they can have it," and I asked the question—liquor stores, as well. They are supposed to only sell liquor to people over twenty-one (21) years of age. Is that true? Of course not. When money is involved, people do crazy things. Data indicates, and this came right out of Colorado, that there is a new black market trafficking across the country as a result of the legalized pot sales in Colorado. They were promised that legalizing marijuana in Colorado was really going to destroy the black market. We have heard that there this morning. People think that these dispensaries will open up and there will be this bargained price marijuana...that is simply not the case. The black market will not go away and that argument, in my opinion, is false. The black market is thriving, growing in new unforeseen ways as marijuana, highly potent THC concentrates and THC-infused food and drinks produced in Colorado are now showing up all over the country. The black market is not going to go away. As we bring this home to Hawai'i, the basic premise for this bill was that, "Hey, we have all these people that are in need of this medicine and they cannot get the medicine." They cannot get the marijuana, grow it on their own, and they do not have a caregiver. That is why the Legislature decided that we need to come up with a dispensary system so that people can get this so-called medicine at dispensaries. If you look at the numbers—again, this is December 31, 2014, which is relatively recent. In Hawai'i, thirteen thousand nine hundred thirty-seven (13,937) cards have been issued. Three hundred eighteen (318) claim...this is self-reporting...claim that they do not have access to medical marijuana. On Kaua'i, which is what I am concerned about, out of the one thousand nine hundred forty (1,940), and that number has increased, six (6) do not have access to medical marijuana. So there is no need for this dispensary system that the State is trying to make us believe.

The conditions that provide or allow for the issuance of these cards...again, another discussion for another time because I think severe pain should not be on list, but it is in Hawai'i. So granted, we will accept that because it is the law. Look at the number: sixty-six percent (66%) of the cards issued is not for cancer, muscle spasm, glaucoma, nausea, seizures, Human Immunodeficiency Virus (HIV), or Acquired Immune Deficiency Syndrome (AIDS). It is for pain. Medical marijuana...the studies have shown that arguably there is some value to cancer patients, nausea, and glaucoma. Naturally, it is going to help pain because it is a drug. Sixty-six percent (66%)...you have to figure that some of this twenty-eight percent (28%) is a combination of either pain and nausea or pain and seizure. We really do not know because they did not break that down. We know that at least sixty-six percent (66%) of the cards out there are not for these terminal diseases that everybody is trying to paint this out to be that these are compassion centers. No, this is a drug distribution center for people with severe pain; sixty-six percent (66%). Really, is there a need when you look at the numbers? Again, these are not my numbers; these are the State of Hawai'i Department of Public Safety's. My question is to all of the Members here is, are these really compassionate care centers or are they just increased access to marijuana? More than eighty percent (80%) of the cardholders in California and Colorado are white men between the ages of seventeen (17) and thirty-five (35) with no history of chronic illness, but a history of alcohol and drug abuse. Really, are we providing compassionate care or just another avenue for the distribution of marijuana? On the flipside, less than five percent (5%) of the cardholders are cancer, HIV, AIDS, glaucoma patients, or epilepsy seizure patients. Ninety percent (90%), this is in Colorado and California, are registered for ailments, such as headaches, body aches, and pains. Come on people...is this compassionate care or increased access to marijuana?

What is medical marijuana? Well, you can read it right here: medical cannabis. Look at this...this is taken off of medical dispensaries throughout the mainland; legal medical dispensaries that sell "Munchy Way," "Tri-Chrome Crunch," "Buddahfinger," and "Double Puff Oeo." This is all marijuana packaged in ways that they want to market to children. "Pot Tarts," "Sour Diesel," "Mr. Greenbud." Medicine? Really? How is this one? "EdiPure, Gourmet Tropical Fruit," of course with marijuana. I took care of my mom for a long time and I do not remember her asking me, "Mel, can you go down to get me some marijuana-laced salted caramel or hot cocoa because I really feel bad right now. This chemo is kicking my butt, but I really could use some salted caramels or actually, go get me some Buddahfingers." This is the most recent craze throughout the mainland, and in fact, here as well. They extract the oils or they are using the actual marijuana and they are creating all these bakery items. Medicine? Really? If you want to know what one of these things look like, this is medical marijuana facilities on the mainland that if this bill passes, you will see in Hawai'i and see one on Kaua'i as well. How is this? "Emperor," "Cherry Pie," "Bubble Gum," and "Jack's Fire." Medicine? Really?

That is the one component of it: additional access to marijuana for people that really do not need it. House Bill 321, Senate Draft 1, says, "Neither this section or any other law, county ordinance, or rule shall prohibit the use of land for medical marijuana production centers or dispensaries established and licensed pursuant to part," whatever they decide it will be, "of chapter 321." This is the same language that is found in the Senate Bill, "If enacted, this provision would apparently ensure that once a medical marijuana dispensary or production center is authorized by the state, no county government could prohibit the establishment of the medical marijuana production center or dispensary through the enactment of zoning ordinances." In other words, we would not be able to determine where these things belong. The County could not prohibit that in residential areas or near schools. We would have absolutely no say. That is what I am concerned about. The State took it upon themselves to say, "No, the State needs it and the counties are not going to have a say about it." It should be noted that none of these bills were ever referred to a subject matter committee that had jurisdiction on agriculture, water or land use, or environmental protection. Why? Because they needed it to pass and they knew it would have had a rough time. Home Rule is what I am talking about and all of these states here in their medical marijuana statutes provide for Home Rule with the local government because it makes sense. We are not Honolulu; we are not Hawai'i Island; we are Kaua'i. We "beat to a different drum" I guess is the best way of saying it, but we will not be on this list. We will not be on this list. Marcus Oshiro was supposed to be here today, but he had to fly back. He basically submitted testimony supporting the Resolution and he said back in 2000, he supported the medical marijuana law, and he still supports the medical marijuana law, but the bills before the Hawai'i State Legislature this year, mainly House Bill 321 and Senate Bill 682, do much more than help sick people gain access to medical marijuana, as I have described. That is why he now has grave concerns that under the guise of helping seriously old people, these bills may open a "Pandora's box" and unleash a host of problems that will plague the State for a long time. Again, the premise that they use is that people that have the card do not have access to marijuana is a faulty premise, and this is Marcus' words as well, "They will have no oversight by County zoning, State agriculture, land use, or any water use agencies." This is more of his testimony that he talks about and I am really not going to go into that. He is well-versed on this topic, as he has been studying this for a long time.

I do want to close my presentation with this book. This is a book that is out there, "Going to Pot: Why the Rush to Legalize Marijuana is Harming America." There are a growing number of medical marijuana dispensaries across the United States and a majority of Americans who support legalization. These two (2) people are pointing out why it should not occur. Again, this is a former Drug Czar William Bennett and a Federal Prosecutor, Robert White. He is saying, "All of the evidence is on our side"...I am not going debate the evidence, but it is out there... "If you rely on science and facts," said Bennett. But the legalization advocates are winning the debate simply because they have the organization and they are well-funded, and they are winning because the public is not informed of the harms of marijuana. Misinformation was part of the problem, as he pointed to the fact that marijuana is stronger today than it was in the '70s and I think this is key. THC, which is the psychoactive drug in marijuana has risen from five percent (5%) back in the '70s to an average of thirteen percent (13%) in the marijuana today. In some medical dispensaries in Colorado, THC makes upwards of thirty percent (30%) of the drug. That is dangerous. In fact in Hawai'i, we are looking at twenty-five percent (25%), twenty-six percent (26%), and twenty-seven percent (27%). But it is not five percent (5%) like our grandfathers used to smoke. White went on to list some of the negative effects of marijuana on users noting that it suppresses the dopamine receptors of your brain, will not wear off like beer and wine, and it causes a drop in your Intelligence Quotient (IQ) if used for an extended period of time. Marijuana also increases a chance of heart attack by the user and the impact on children causes both authors' concern. This is critical. States that have legalized the drug experience a much higher rate of usage. Nine point four percent (9.4%) of children have used marijuana in states that have legalized medical marijuana, whereas the average and nonmedical marijuana states are at six point seven percent (6.7%). The numbers are even higher in Colorado at ten point two percent (10.2%) of twelve (12) to seventeen (17) year olds that have used the drug. I think that is substantially higher. I think this is the argument I have heard...I have heard this this morning, in fact, about alcohol. When asked by an audience member if marijuana is worse than alcohol, Bennett and White admitted that America still has a problem with underage drinking and the use of prescription pills. "It is not worse than alcohol," said Bennett. "We know we have a problem and we have not managed to keep those things from kids. Colorado was supposed to eliminate the marijuana black market, but it did not." He concluded by saying, "Why add a third problem?" So we know about the alcohol, prescription drugs, so why would we create the third problem of marijuana? That is why the Resolution is here today; to send the message to the State saying, "Hey, do not rush into this. There are a lot of issues." If you want to research some data and facts, go to the American Cancer Society's website. They have a whole paper they have done on medical marijuana, and it is objective, very objective. There are many sites out there. There are sites that say I am totally full of crap, but read the sites that rely on facts, data, and actual studies. The big problem we have today in America is that marijuana is still listed as a "Schedule 1" drug by the federal government. Now the bill passed yesterday at the State Senate; that they have put in a petition to take it off Schedule 1. The problem, and you will see it in the Cancer Society's website, is that the problem with Schedule 1 drugs is it really limits the number of testing that can be done to validate some of the claims. The American Cancer Society does not have a position on it. They are saying that there are some very dangerous components of marijuana, mainly the THC. That is the problem with marijuana. The Cannabidiol (CBD), which is the other component that really has some medicinal value, is in the marijuana, but when you look at the strains that we are selling on the street today, it is high in THC and low in CBD because the interest is not to get better; it is to get high. Why does the State of Hawai'i in their crafting of these bills not put in a

restriction that the THC content would have to be low and the CBD number, if we are trying to get to medical results to help people medically, raise the CBD numbers. It can be done. But they are not interested in that. You are going to a medical marijuana dispensary and you do not know if you are getting five percent (5%), eight percent (8%), or thirty percent (30%). You extract the oils, which come to ninety percent (90%) to ninety-five percent (95%) potency and put that in some brownies, juice, or candy...they do not know the potency. Kids are eating this stuff. Read the newspapers. I am not going to use scare tactics. There are stuff that if you just Google it and read the legitimate sources, people are dying out there from overdosing on the high potency marijuana; the oils. They are not interested in that. The State is pushing this thing through, so we can start issuing licenses, so they can start paying their moneys and we can start collecting taxes. The Governor of Colorado came out publicly and said, "To all my fellow colleagues, all my fellow governors throughout the country; do not do what Colorado did. Do not rush. Take your time. If you are using this as a way to generate revenue, I would suggest that you stop because it is not the way to do it."

Medical marijuana really is a blessing for many people, but as you saw by the numbers, sixty-six percent (66%) of these people are not dying of cancer, not dying the AIDS, not suffering...they are suffering chronic pain like I do every single morning. I could go get a card today, go down the street and pick up marijuana that is twenty percent (20%) THC, and I could buy enough of that marijuana so that I could use some and sell some. I got an E-mail from someone, and I was not going to bring this up, but I am; I got an E-mail from someone that accused me of never having sat bedside next to a dying cancer patient, which is full of it because I did. My mom did not need marijuana. I could have gotten it for her. The doctor prescribed to her Marinol, which is a legal medication. You know what? It worked. I will agree that for some conditions, medical marijuana does work. These include multiple sclerosis, cancer, and nausea. It does work. But that is between the patient, the doctor, and the provider. They determine how they are going to get their source, but I have to say that the State is misleading this public by saying that there is such a dire need for this dope that we, the State, now is going to allow people, without any regulation on the product, to open up marijuana dispensaries. That is the most ridiculous thing I have heard in a very long time coming out of a square building in Honolulu. Ridiculous. You cannot go down and buy Oxycontin in any dosage. It is labeled and the manufacturers are required by law to make it in certain potencies. This does not do that and people think that marijuana is not dangerous. Well, it is. In the high potency form, it is. But you will never know. Do not tell me that only the people with the need will get it. Really? I am real. I am old enough to know that if you want to buy alcohol at seventeen (17) years old, you can. It is the same thing with medical marijuana. If you want to go get marijuana, but you do not have a card, you can. It is going to happen and we cannot escape that. We have to accept that fact because it is going to happen. I talked about it this morning when Felicia testified that I get criticized because I only bring the law enforcement perspective—well, yes I do bring the law enforcement perspective because guess who is going to have to deal with this? The law enforcement community. You did not say that, but I said that. If you read my E-mails, it makes you throw up. That is fine though. That is my job. I have thick skin. The bottom line is that it will create problems for the community and we need to take our time and do it right. My time is up. Thank you, Vice Chair.

Councilmember Kagawa:
to you.

With that, I will turn the meeting back over

Council Vice Chair Kagawa, the presiding officer, relinquished Chairmanship to Council Chair Rapozo.

Council Chair Rapozo: Unless someone has some questions about the presentation, I would like to open it up for public testimony. Do we have registered speakers?

Councilmember Hooser: Chair, thank you for the presentation. It is very interesting to see what Colorado and other places are doing. Just for the record, I wanted to focus on the bills that the Resolution addresses and point out that both bills are similar in many respects and they both prohibit the candies, goodies, and the issues. They limit the manufactured products to capsules, lozenges, oils, and pills. So they do not allow the manufacturer of the food products and candies. They also require childproof, etcetera, clearly labeled and they also require the amount of THC that is contained within those to be at a certain level. So there were a few things. Also, I know this is different from some of those examples you were citing, but I think it is important for the record to point that out. They also prohibit the location of these facilities within so many feet from playgrounds, public housing, complexes, or schools. They only allow them in areas where the zoning would allow them normally, so they could not be in residential areas, for example. Those are just a few of the things that I think it is important to look at the bills we are looking at. It is important to look at what other states are doing, but it is also important to look at the bills that are on the table that are works in progress. I understand that they will not be finalized until the first week of May or so, so we will not really know, but the intent of the Legislature seems to be to prohibit some of the practices that they are doing in other states. I just wanted to point that out.

Council Chair Rapozo: I appreciate that. The problem with the THC content is that I do not know of anybody that grows marijuana on Kaua'i today that can determine the THC content. In fact, when Mr. Oshiro went to Colorado...there is Dr. Otto on O'ahu, I believe his name is, and he actually can do the testing. In Colorado, especially in the products that they have, it is very difficult to determine the THC content, unless you send it off to a scientific lab. Again, I am not sure who has that capability here. The bottom line is that we do not know what can be done here. The other concern, and Mr. Oshiro has submitted some recommended amendments to the bill, is that we do not want the Colorado corporations to come here and open up dispensaries. That is a fear. One of the things he is recommending, and I support this should this bill pass, is that the operator of the dispensary should be a resident that has been here for a few years, so that we do not have the big, mega corporate giants that are profiting in Colorado and Washington moving in here and taking over the dispensaries. These generate a lot of money. Let us not pretend that this is all about compassion centers. This is an opportunity to generate money. The other recommendation from Mr. Oshiro is that it be a non-profit organization and that the operator would have to be a non-profit organization. Those are what I would agree to should the bill pass. I do not know what the final output is going to be. They are still having discussions on the bill on the House side and it is yet to be seen what the final outcome will be. But I think it is important that we send the message to the State to hang on and hold your breath for a little bit because it is the last thing that we need on Kaua'i. Honolulu can do what they want. Kaua'i is different and we do not need to provide another opportunity or another source of drugs to our kids. That is my concern. Mr. Kagawa.

Councilmember Kagawa: I do not know if you wanted to touch upon the fact that because marijuana is illegal Federally, the large banks were asked by Mr. Oshiro, like Central Pacific Bank (CPB), First Hawaiian Bank, Bank of Hawai'i, and so on...he asked all the major banks and some of the larger credit unions on O'ahu if they would be doing banking with the proposed dispensaries and he received negative responses from all of them. The fear that he mentioned was that there would be a lot of cash floating around and one of the cases that he brought up was that one of the Colorado dispensaries hired someone from Hawai'i that is going to school there and were paying them cash and buds. Those are the kind of things that if they cannot get a bank to do them, that is the nature of that type of business that those kinds of things might happen, and obviously would be creating more problems than help. So I do not know if you wanted to touch upon that kind of situation as well. There is just a lot of fear of taking such a giant step with so many concerns that are unanswered and that is why this Resolution...basically, we feel we need to put Kaua'i's input on this statewide bill.

Council Chair Rapozo: Likewise. Just the cost to enforce and regulate—the State is not providing the funds. How do you regulate statewide medical marijuana dispensary programs with limited resources? Those are just all of the collateral issues. With that, I would like to open up for public testimony. Do we have a list?

Ms. Fountain-Tanigawa: We have two (2) registered speakers, Chair. The first registered speaker is Pastor Tom Iannucci.

Council Chair Rapozo: Thank you. I will suspend the rules with no objection.

There being no objections, the rules were suspended.

PASTOR TOM IANNUCCI: Pastor Tom, for the record. I have to decide what hat I am going to wear today as I come to you and thank you for your work that you do. There is never a dull moment in Council. As a pastor, if you want to know the moral and spiritual aspects of this, you can come see me after and I will tell you. As one the guys who spent a lot of time under a black light listening to Pink Floyd and burning some *pakalolo*, I can tell you from experience or you can talk to me after. I will tell you about that as well. It did not help me in my algebra class. What I want to come to you today is to talk to you about being a police commissioner and a community leader of what I see and what I fear. A few years back, I cannot give you the date...maybe four (4) years ago or three (3) years ago, the Los Angeles (LA) County Sheriff's Department came in and they did a PowerPoint for us because there was a loophole in LA County that allowed numerous dispensaries to go off and it became a sweeping craze. It is about money, money, and money; that is the bottom line. We do not want gambling in Hawai'i because we are worried about all of the money it brings, organized crime, prostitution, and all the negative benefits, but whether it is from gambling or marijuana, it is the same elements. Lights are going to attract moths. The fact of it is that they laid out very clearly all the problems they had. Crime had increased. Marijuana addiction, which was unheard of back in the day because of the higher THC levels, was now the biggest addiction that they had in their treatment centers because it is addictive. They sent in an undercover, off-duty officer...in fact, he was at the presentation and his boss told him, "I want you to go in there and I want you to try and not get a marijuana prescription." He went inside and doctors are making anywhere at that time, eighty dollars (\$80) to one hundred dollars (\$100)

per patient, one every fifteen (15) minutes, so the doctors were making close to two million dollars (\$2,000,000) a year; dispensaries about one million dollars (\$1,000,000). Now, "I am a doctor who is making about two million dollars (\$2,000,000) a year, so I forget everybody else. I just want to do marijuana." There was a woman advertising in the LA Times a doctor in a bikini and cowboy hat, "We give medicinal marijuana prescriptions." It is a business. This guy went in and he sat down and the guy said, "Do you have any neck pain, back pain, or shoulder pain?" He said, "No." The doctor asked if he has Posttraumatic Stress Disorder (PTSD) and he said, "No." The doctor went on to ask if he had any problems, this and that, and the guy said, "No." "How long does it take you to get to sleep at night?" The guy said, "Five (5) to ten (10) minutes." The doctor said, "Good, insomnia. Bang, here you go." It is that. I watched my brother die of AIDS. As a pastor, I have sat next to numerous cancer patients, none of which used marijuana. I am not against it for the right reasons, but it is exactly what Council Chair pointed out, sixty-six percent (66%) is for pain. I have been offered it as a pastor, "Yes, I will write you a prescription for your back." But I am against it. I think it is bad for the County. I think that the State should not legislate over us. The law enforcement is going to pay for it. Who is going to police it up? We are. Thank you.

Council Chair Rapozo:

Thank you. Next speaker.

Ms. Fountain-Tanigawa:
by Dylan Hooser.

The next speaker is Theresa Koki, followed

THERESA KOKI: Good afternoon, Council Chair and Councilmembers. Theresa Koki, for the record. I work for the Office of the Mayor in the Life's Choices Kaua'i Office, formally known as the "Anti-Drug Program." I would like to state at first that we are very empathetic to the people who need medical marijuana. That was the law that was prematurely passed in 2000. It is unfortunate that we spent the last fifteen (15) years trying to fix the law and with little or no research, we continue to introduce these bills like HB 321 through the legislative process. One of our main concerns is the planning restrictions like you mentioned, although like Mr. Hooser mentioned, they did amend the bill. Every day, there is a new amendment in the bill. It has been kind of difficult to follow. Again, it still remains a controlled substance by both Hawai'i Revised Statutes, as well as the Federal government. We are concerned as well that there will be no funds put aside for prevention, treatment, and law enforcement. If passed through the State Legislature, it will probably be another unfunded mandate that the County is going to have to bear the burden. One of the things that I follow closely is called "Smart Approaches to Marijuana (SAM)" and every day they have another article in the paper of what is going on and what is wrong with Colorado and Washington. It is sad to see that like big tobacco and alcohol, they are marketing things towards children. I know that we had several people come from the mainland to our Office to ask if they could open up a clinic already and if the law was passed because they are from Arizona and there are too many people there with clinics. They had to take out the local restriction because of discrimination in the law as well. We would like to also point out that there are only six (6) people here on Kaua'i that are not getting their marijuana right now and we would like to fix that somehow, instead of opening up a dispensary for everyone, because that is just six (6) people who cannot get their marijuana. Like Mel said, the potency concentrations in marijuana have increased from about four percent (4%) to fifteen percent (15%). Since the law has been passed, there are six (6) different medications that have been tested and three (3) of them have already been approved through the Food and Drug Administration (FDA) that is with the CBD

component, not the THC, and it is safe for you to take it and drive and help you with pain, nausea, cancer, etcetera. There is even one going through right now and I think it is in the United Kingdom (UK) where they are doing the oils for epileptic seizures.

Council Chair Rapozo: Theresa, that was your time. You may come up again after everyone else has had a chance to speak for the first time.

Ms. Koki: Okay.

Ms. Fountain-Tanigawa: The next speaker is Dylan Hooser, followed by Alfred Sarmiento.

DYLAN HOOSER: Hello everybody. Thank you for having this opportunity to testify. My name is Dylan Hooser and I would like to testify in opposition to this Resolution. I feel like...not even feel...the fact is that we have a medical marijuana law in Hawai'i and the law provides you to have a medical marijuana prescription, but it does not allow you to procure it anywhere legally. They say you can grow your own medical marijuana, but where do you get a seed from? The doctor does not give it to you. The State does not give it to you. The State made a law that says we are allowed to have medical marijuana, but we cannot obtain it legally. I think that the intent of these laws that the Senate is trying to pass are correct, because they are trying to fix the problem that they created by allowing us to have it, but not allow us to procure it. I do not think it is about money. I think it is about access for medical patients, the people who are in need of it. They are not concerned about making money off of this stuff. They just want to legally be allowed to obtain it. For example, if one of your parents goes out to the doctor and gets prescribed this, where do they go get it? Who do they have to get it from? I have been hearing a lot of talk about a black market, but it seems like there is a black market for a reason because there is no legal way to obtain it. This is a way for the State to make that legal. Thank you very much. Have a good day.

Council Chair Rapozo: Thank you. Next speaker.

Ms. Fountain-Tanigawa: The next speaker is Alfred Sarmiento, followed by Sandi Sterker.

ALFRED SARMENTO: Good afternoon, Kaua'i County Council. My name is Alfred Sarmiento and I live in Kekaha. I run an E-mail service right now called "Kaua'i Christian Voters," but that is not why I am here. I am here as an individual. I would like to first thank Councilmember Rapozo for introducing this measure. I really feel that he is one of the few courageous people in this State who have stood up against this train that is coming down the tracks with these medical marijuana dispensaries. To begin with, I do not know of anyone who is against allowing the truly medically needy to get the medicine that they need, whether it is marijuana or anything else. That is not the problem. Unfortunately, these bills, HB 321 and SB 879 are fraught with dangers to our children here on Kaua'i, particularly the teenagers. These dispensaries and the growing areas will be subject to diversion. The present high content of THC in the marijuana of today is not the same as the Woodstock generation that many of us grew up in at zero point two percent (0.02%). Now, as you stated earlier, it is up to thirty percent (30%) in many cases. I would hope that Hawai'i would not follow a Colorado model in this regard. I do not see why we cannot do it our own way with Home Rule; with Kaua'i deciding for itself how it wants to handle this matter. As the testimony has shown,

we have six (6) people on Kaua'i who apparently do not have a source for their medical marijuana. I am sure we can come up with some other way of getting them the drugs that they need, rather than introducing potential dangers for our citizens and *keiki* here on Kaua'i. Also, we have the law enforcement problems that have been testified to, I believe. In any event, it amounts to an unfunded mandate. Any problems that ultimately do result from the bill on the State level, is going to fall on us here on Kaua'i. Our Police Chief and law enforcement area here—we are going to have to pay the bills here as taxpayers. Thank you for your time. *Aloha*.

Council Chair Rapozo: Thank you very much.

Ms. Fountain-Tanigawa: The next speaker is Sandi Sterker, followed by Vill Galiza.

SANDI STERKER: Sandi Sterker. I am here to tell you about what it is like to be from Colorado and have your whole family in Colorado, including children and grandchildren. Medical marijuana started back in Colorado a long time ago and this is what it has progressed to in Colorado...what it is today. I have the Denver Post on my iPhone and I read the paper every day on what goes on there. I have friends who are physicians and they see children all the time that have gotten in to the medical marijuana of the family. I just say, yes; we need to do it maybe at some point, but let us look and see what is going to happen first and follow what is happening in Colorado because it is a mess there. Thank you.

Council Chair Rapozo: Thank you, Sandi.

Ms. Fountain-Tanigawa: The last registered speaker is Vill Galiza.

VILL GALIZA: Mr. Chairman and Kaua'i County Council, thank you so much for your presentation. It was well done. What really comes to me is that it will adversely affect our next generation, our children. Somehow, some way, this thing will really get out of hand and when it does get out of hand, we cannot control it, especially in the elementary, middle school, and high school. I am supporting this resolution to oppose HB 321 and SB 879. I really feel that we should not rush into it. We should just take our time and look at it. I like what you said about Kaua'i. Kaua'i is a very special island. I have been here now for the past thirty-five (35) years and have been a part of the Mayor's Prayer Luncheon for the past twelve (12) years during the time of Mayor Bryan Baptiste, and now with Mayor Bernard Carvalho. I sense the heart spiritually because I really want to see righteousness to be established on this island. We have come a long way. Twelve (12) years ago and even further back, to come this far and to allow this to happen, especially at this hour. We should really say...you mentioned about the CBD or the THC and if I could add to the CBD and to being a pastor, and Tom is a pastor, too, is that the Bible said when one is sick like that, you shall lay hands on the sick and they recover. So the CBD is non-active. Spiritually, people do get healed and they do believe in miracles. Furthermore, Mr. Chairman, I just want to add just to what you have shared, especially among the teenagers, the youth; let me go ahead and share this: smoking marijuana doubles the risk of teens for psychosis over the past ten (10) years. Daily smokers of marijuana are twice as likely to suffer from psychosis, twice as vulnerable to depression. Early marijuana use is linked to a fifty percent (50%) increase in risk of depression after age seventeen (17). Heavy users are six (6) times more likely to develop schizophrenia. Furthermore...

Council Chair Rapozo: Pastor, I think your red light is going to go off any second. I have to take the other speakers. You can come back for a second round, if you do not mind.

Mr. Galiza: Very good.

Council Chair Rapozo: Thank you.

Ms. Fountain-Tanigawa: The next speaker is Darline Rita-Sarmiento.

DARLINE RITA-SARMENTO: Thank you for listening to us.

Council Chair Rapozo: Please state your name for the record.

Ms. Rita-Sarmiento: My name is Darline M. Rita-Sarmiento. I am Kaua'i resident for life and I am coming to you as a former chemo therapy patient, medical assistant, and social worker. Over the last thirty (30) years, I have gone out into the streets and talked to homeless people. I am four and a half (4.5) years out of chemo. It is not about where to get it. I had people walk up to me and say, "I know you are on chemo. You are getting nausea and you feel junk, right? I will give you marijuana." I do not want it. It damages lives. When California passed its first marijuana bill fifteen (15) to twenty (20) years ago, the very next day, I had at least four (4) patients coming to the clinic that I am working at saying, "I need a marijuana prescription." Being that these people were from my community, I knew that they were the local drug addicts. They are coming in and saying, "I need marijuana." I tell them, "The doctor will not write you a prescription. First of all, it is not legal in Hawai'i. Second of all, my doctor is not going to give you a prescription." Then the guys would leave. As locals, we worry about the homeless population, right? When I went door-to-door, out in the streets, out at the beach parks, giving away food and offering services to these people, you find out that there are a lot of locals and the locals that are out there...if you have a family member that loses his home, what local is not going to open their house to their family? When family members stop letting other family members stay with them in Hawai'i, it has to be drugs. It really breaks my heart because I know that the THC, especially in the high quantities that it has, will affect our children. Try Googling the suicide rate for Hawai'i. Hawai'i leads the nation in suicide attempts by teenagers. We double the national average. Google it and it will be the first thing that comes up. We need to regulate this. Kaua'i is different. We need to take care of our people because I already see lots of druggies on the west side of Kaua'i and I do not want to see that increase. I really do not. We need to look at this as county-by-county. I agree with you, Chair Rapozo. Thank you for the good work. Thank you for looking out for Kaua'i.

Council Chair Rapozo: Thank you.

Ms. Fountain-Tanigawa: The next speaker is Editha Parayno.

EDITHA PARAYNO: Hi. I am Editha Parayno. I was just concerned about what I am hearing and I want to testify what I have seen. I have been in a facility the last few weeks and while I was there, there were these parents who brought in a high school student, maybe between fifteen (15) or sixteen (16) because the parents were called by the school because their kid collapsed. Then, it was followed by another kid from the same school that also collapsed. While they were interviewing them, I heard them and they said that there was a lady who gave

them brownies. After they ate the brownies, they were falling. So I believe this is one thing that we should be scared of in Kaua'i since Kaua'i is a very peaceful county and this should bring us concerns because kids—we are not aware of ourselves anymore. Of course, I also support the use of medical marijuana for those who are really in need of it and for proper use, but I strongly support Chairman Rapozo's Resolution that putting in dispensaries is really a big deal that should not happen in Kaua'i. Thank you so much.

Council Chair Rapozo: Thank you. You have a question.

Councilmember Kagawa: I just wanted to tell you that I talked to one of the students that collapsed, so I know that is a true story. Thank you.

Ms. Parayno: Thank you.

Council Chair Rapozo: Thank you. At this time, we need to do a tape change, so let us do a ten (10) minute caption break also so that we do not have to stop again. We will be back in ten (10) minutes. Thank you.

There being no objections, the meeting recessed at 2:39 p.m.

The meeting reconvened at 2:51 p.m., and proceeded as follows:

Council Chair Rapozo: The meeting is called back to order. Next speaker, please.

Ms. Fountain-Tanigawa: That was the last registered speaker.

Council Chair Rapozo: Okay. There is a little problem with the mic? Okay, recess.

There being no objections, the meeting recessed at 2:51 p.m.

The meeting reconvened at 2:53 p.m., and proceeded as follows:

DARRYL PERRY, Chief of Police: I am Chief Perry of the Kaua'i Police Department. What I wanted to say is that I am in support of Resolution No. 2015-37, and along with that, in opposition to House Bill 321. I have been in this business for over forty (40) years and I started out as an undercover officer. Every year since today, there have been attempts to legalize or decriminalize marijuana. As you recall, not too many years ago, we were told that the reasons why ice or crystal methamphetamine was skyrocketing was because our efforts in enforcing the marijuana law as well—that was not the case. Our enforcement on marijuana had no impact on the use of crystal methamphetamine. For all the reasons that you articulated in your presentation very eloquently, I am in opposition of House Bill 321. I would also like to talk about what Councilmember Kagawa said in regard to the moneys that would be used to purchase medical marijuana. They will be dealing in cash and that presents a problem because there will be thousands of dollars that will have to be secured somewhere in cash and that presents a problem with regards to robberies and the rest. So we will have to be involved with those types of securing of the moneys. Another issue that we will be having is that we will have to train our officers in drug recognition programs. It is called "DRE," which are "Drug Recognition Experts." This will entail approximately one hundred twelve (112) hours of training for our officers. Again, it is not going to

be funded by the State. Just a rough guestimate of how many officers we will have to train, will be about one hundred (100) at a cost of about three hundred thousand dollars (\$300,000), which the County will have to bear the costs. That is an insularly cost that was not factored into these bills. Again, we support the intent of the medical marijuana law; let there be no confusion about that, because there are people out there that really do need help, but it is being abused to the tune of almost eighty percent (80%) of the individuals that have these certificates are abusing the system. I would like to thank you for what you are doing with regard to this Resolution, Chair. Thank you.

Council Chair Rapozo: Thank you, Chief. Let us see if we can entertain any questions now that we have the law enforcement resource here. I know a lot of the presentation was off Colorado, but now we have the Chief of Police here. If you have any questions about the enforcement, issues, or crime, now is the time to ask so that we do not have to rely on speculation or guessing. It is interesting, Chief, about marijuana because that is I think a misconception out in the community that when "Green Harvest" started, meth increased, and I just heard your testimony that that is not the case. I do not know if you can expand on that in any way.

Mr. Perry: Well, one of the arguments that was proposed by the proponents of marijuana was that the enforcement of Green Harvest escalated the use of ice and our efforts to reduce the amount of marijuana in our State had a direct correlation. Ice is a drug that causes people to be paranoid, cause property crimes, crimes against people and the like, so they blamed our enforcement of marijuana to the escalation of the use of ice, but that was absolutely not the case. We look at all illegal drugs as a means of bringing down our society, hurting our children, and hurting the family structure. So we are here and our mission is to protect our families and our communities, and as long as the drug is illegal, we will do what our mission entails us to do, to keep our community safe. That argument was a fallacy.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: Chief, thank you for your testimony. Are all the police chiefs in all police departments currently against these House bills and Senate bills?

Mr. Perry: Yes.

Councilmember Kagawa: I think part of the supporters in the Legislature of those bills are supporting it partly because they feel like if we have these medical distribution centers, then it will eliminate the people with the cards from growing in their yards and that will be the place where they would be getting their medical marijuana; therefore, I guess, decreasing the black market. Do you folks oppose it because you do not trust those exact outcomes and are not sure that it will actually turn out that way?

Mr. Perry: Correct. Historically, any type of legalization has not reduced the black market because we are a free enterprise nation and there will always be someone there to undercut the competition. It is a free enterprise. As long as there are individuals out there who want things at a cheaper cost, somebody is going to provide it to them, so it will not eliminate the black market whatsoever. It will still be there.

Councilmember Kagawa: Thank you.

Council Chair Rapozo: Especially if you have only one dispensary on Kaua'i, which is what the bill will provide—one. You think Hawaiian Airlines is high? There will be no competition except the black market.

Mr. Perry: Yes.

Council Chair Rapozo: I do not know if the State even understands that, but anyway. Anymore questions for the Chief?

Councilmember Kagawa: Chief, currently I assume that we spend a lot of time on Green Harvest and those types of operations. Is there a lot of time spent on those...because I assume that for those who are growing with the card, sometimes the neighbors might say, "They have more plants than they are required." Because of the smell or what have you. Do the police get involved with those where they are abusing the card?

Mr. Perry: Yes, we do. As long as we receive a report, we make sure that we check and we double check what used to be the Narcotics Enforcement Division, but now it is the Department of Health. One of the problematic areas is that if we get a complaint, we have to verify that this individual has a card, and we are working through the Department of Health to make sure that we have access to their database to make sure that this individual or these individuals have those cards. We have investigated cases where they have in excess of the number of plants that they should have. Now, the question is whether or not...if they have fifteen (15) plants, do we take just eight (8) and we leave the seven (7)? No, we take everything because they are in violation of the medical marijuana law. Again, we support people who have these debilitating diseases and we want to make sure that they get the medicines that they deserve to have to have a better life for them. But it is abused and we have to fix the law. I know there is a law, but we have to fix that law. That law, to me, is broken and it needs to be fixed.

Council Chair Rapozo: Chief, the caregiver card or the caregiver—are you familiar enough to talk about that?

Mr. Perry: I do not know the details about how the caregiver card is processed.

Council Chair Rapozo: Okay. Any other questions for the Chief? Thank you, Chief. Anybody else wishing to testify for the first time? If not, we have the Prosecutor here as well, who is available for questions if anybody has questions for the Prosecutor. Justin, Mr. Chock has a question.

Councilmember Chock: Good afternoon. Thank you for being here.

JUSTIN F. KOLLAR, Prosecuting Attorney: Good afternoon.

Councilmember Chock: In this Resolution, there are eight (8)...nine (9) specific requests. I just wanted to get a better sense...I had a concern about number 1, just in terms of I think the question of it being constitutional or not is one of the questions. If you could give us a rundown because

the other thing that came up was that some of these are covered in the current legislation.

Mr. Kollar: Correct. *Aloha*. Good afternoon. Justin Kollar, Prosecuting Attorney, for the record. Looking at the Resolution when I was in the gallery, I was trying to compare between the current SD 1, HD 1, that is being considered today in the Senate Judiciary and Labor Committee (JDL)/Ways and Means (WAM) Committee joint meeting in trying to see which of these provisions had been incorporated into that draft. Just to my review sitting there, at least numbers 5, 7, 8, 11, 12, and 13 through 19 are all provided for in the draft that is being considered today. Number 1 is the residency requirement provision and the discussion within law enforcement has been that there may be some constitutional issues associated with the residency requirement, so that is one that the law enforcement community has not been pushing for in the current draft, and rather focusing on trying to get provisions like the ones that are particularly in the second half of this list are things that everyone pretty much agrees on. I stepped out of the gallery and made a call to Honolulu because the draft is under consideration today for decision-making in the Senate, in the Judiciary and Labor and Ways and Means joint meeting. They have not got to that agenda yet. They are still on the Maui hospital item. I was trying to figure out what amendments they may make. I suspect that they are not going to make any substantive amendments since today is decision-making, but I just wanted to be sure. It looks like at least a number of these have been incorporated, which are a very sound concept.

Councilmember Chock: Thank you.

Council Chair Rapozo: Anymore questions?

Councilmember Kualii: How about the ones that have not been incorporated? Are you in support of them being incorporated? Like number 6, "Providing marijuana to minors should be treated similar to the offense of promoting liquor to a person under the age of twenty-one (21), as established in Hawai'i Revised Statutes 712."

Mr. Kollar: Our Office would support identical language there. There is a whole spectrum of opinions out there about what people should be doing with marijuana, but everybody pretty much agrees that you should not be giving it to kids. So we would support that.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Any other questions? If not, thank you very much.

Mr. Kollar: Thank you.

Council Chair Rapozo: If that is it, Mr. Iannucci, you may come back up.

Mr. Iannucci: I will try to keep it brief this time. I understand Dylan Hooser's point about how do we get to the people who need what they need, and that is always a consideration, but it is really important that we come up with a better way of doing that. You cannot just do a shotgun approach; limited to everybody. My wife and I have spoken at every single school on this

island and have worked with youth since the Tony Kunimura days. We have been actively involved with the youth of this island and I have three (3) children who went through public high school here on the island. They will tell you and I will tell you that half the kids right now are smoking *pakalolo*, which is about average. If it is illegal and half the kids are smoking *pakalolo*, how much easier will it be if it is legalized to get it? Will it be on the market, etcetera? This is definitely a concern. If I hurt my back and I have to get Oxycontin or Vicodin, I have to go to a pharmacist. For every medical need I have, I have to go to a doctor or a pharmacist. A guy who went to school who dispenses it...this is like a whole separate candy shop. I understand Councilmember Hooser's point that it is limited to only certain things, but it does not have to be in candy form. Kids are ripping off their parents' Oxycontin and Vicodin out of their house. They understand how it works; they get it. Those are my concerns. I am really concerned about Kaua'i being dictated by the State. I am really concerned about who is going to foot the bill for law enforcement. There needs to be regulation...if it does come, there needs to be someone regulating this dispensary. I am not in support of it, but I think there are a lot more things that our island needs to consider about this before we just say, "Yes, go for it." Any kind of amendments and any kind of things that we can throw into the bill and get the support that is going to protect Kaua'i financially, our children, and every other way, I think, really needs to be taken into account and be really thought out. I think we need to look at Los Angeles and Colorado and really take a look, "Is this what is best for our island?" I do not mean to "dis" the outer islands, but that is their thing. We need to take care of Kaua'i. We are small, we are family, and we need to keep it that way and watch out for what is best for Kaua'i. Thank you.

Council Chair Rapozo:
next?

Thank you very much. Theresa, you are

Ms. Koki: Thank you for allowing me to come up here for the second time. My name is Theresa Koki, for the record. I wanted to make sure that everyone knew that the Mayor could not be here with us today and he wanted me to say that he does support the Resolution, as well as supporting the intent of the law, which is to help the patients with medical marijuana. He also supports the amendment that Vice Chair Kagawa offered, and basically asked that if we could have more time to make sure that we are doing the right thing for Kaua'i. I am going to put on my "Theresa Koki hat" now, so I wanted to add to what the Chief said. In my working with people who are substance abusers recovering from addiction, almost all of them mention that when they got their traffic stop or drove a car through someone's house and got caught with methamphetamine, they were also caught with marijuana and also prescription pills. When you take meth, they need the marijuana to eat and they need the prescription pills to go to sleep after being up for three (3) days. I had some students interview sixteen (16) people who were either currently in Drug Court, in recovery somewhere, living in a clean and sober home and all of them said that marijuana was their gateway drug, and most of them were ages eleven (11) to thirteen (13). Again, this could dangerously get into the hands of our kids. I went to a meeting with the Department of Health since they took over and they did mention that they were one and a half (1.5) months behind in giving the prescription out to the patients because they had to have all of the patients go back to see their primary care physician again, and then a lot of them found that the Hawai'i Pacific Health group—all physicians are not using the medical marijuana permit, so they had to find other doctors, so there was a backlog. They were also trying to figure out how they were going to give a tag for the plants, so when law enforcement goes, they can just see if they have the correct

amount of plants that is with the certification number on the tag itself. Part of this legislation that has been introduced is that we have dispensaries and in a matter of time...I think it was ten (10) years...we phase out the caregivers, so we are going to have two (2): we are going to have the caregivers growing the marijuana and the dispensaries, and as far as our enforcement committee...we sent this to the State Legislature that we did not want both to happen. The last thing I wanted to say was that the cost of medical marijuana, the taxes and fees for audits and law enforcement, will be passed on to the consumer and will make it so that the qualifying patients will continue to use the black market to obtain marijuana at a much more affordable rate. It is happening in Colorado where the growers had extra marijuana at one time. It was on the news because the dispensaries...

Council Chair Rapozo: Theresa, that was your time.

Ms. Koki: Okay.

Mr. Galiza: Vill Galiza, for the record. I just wanted to add that marijuana is poisoning the teenage brain and our young men and young women that are following me. The facts and stats really hit you. There will be a permanent eight (8) point IQ loss for teens. Users are five (5) times more likely to drop out of school. One (1) in six (6) heavy teen users will become addicts and be responsible for two (2) out of three (3) teens admitted to rehab centers. The risk of schizophrenia is two (2) to six (6) times higher if they get out of hand and get it on the black market. Like I said, if this happens, it will get on the black market. So County Council, support the Resolution and be opposed to HB 321 and SB 879. Thank you.

Council Chair Rapozo: Thank you very much. Anyone else wishing to testify? If not, the meeting is called back to order. Discussion? Councilmember Kagawa.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: Thank you, Chair. I just want to thank all of you who testified for or against. That is what we do. When we see a controversial bill at the State Legislature and we do not agree with it or we have people that do not agree with it on the Council and in our community, we need to take a stance. Marijuana legalization is a hot topic. Some states have legalized it in various forms and some states have not, but the discussion is all over the place. It is actually a question for Congress, I believe, and they need to just establish one way that all states can do it that can help the ones that need it. But to allow the states to have different stances, to me, it is not *pono*; it is not the right way to do things. I think the Congressional Delegation should try and help to answer these questions and put it on the table for the congressmen to decide. Legal? Not legal? How do you handle it? I believe this Resolution at least...I do not know what way the State Legislature is going to go on this, but I think it has the votes in the Senate from what I heard; it is going to pass the Senate side. The House side is kind of split, so I think we have a chance to stop it. I think approving this Resolution will at least send a message from the Kaua'i County Council that we think it is premature, it is too fast; it is "ready, fire, aim." Really, the big crux for me is that I do not want to see our children and our students being impacted negatively because we have not put more thought into our decisions. I am a teacher now. I see students that are negatively impacted by marijuana use in the class, which are not allowing them to reach their

goals and be the best they can be. It is us as adults who are here that can help to make decisions that will prevent, or at least lessen, the impact of marijuana on our youth. I believe that there are too many questions unanswered with opening up a medical marijuana dispensary on the island. If I have to risk harming our *keiki* of Kaua'i, I will not vote on anything that I feel is an "if" because an "if" normally turns out bad. Let us do the right thing. At least with this Resolution, if the House has the votes and it passes, we have some recommendations from Kaua'i that we want to see in there that at least helps to lessen the blow of that vote. Chair, thank you for your bravery for putting this on the agenda and for also doing your homework on this issue. I think if we dodged it, I think it would be a disservice to our residents. Thank you, Chair.

Council Chair Rapozo: Thank you, Councilmember Kagawa.
Councilmember Kaneshiro.

Councilmember Kaneshiro: I just want to make it clear that this Resolution is not prohibiting the medical use of marijuana. I received a lot of testimony and I heard a lot from other people saying that people deserve to get it if they are sick, but this Resolution is not prohibiting the medical use of marijuana. It is creating a distribution center. From the numbers that we saw, Kaua'i has six (6) people that might not be able to get the medical marijuana that they need. Again, for me, I guess I need a lot more information on this. I have a lot of questions and questions regarding the bill. No County oversight on the land planning. For me, who will enforce it? Is it going to be our County? Ultimately, what is in it for our County? Where is the revenue going? What is in it for us? What is it going to cost us? These are questions that I do not have answers for yet and I think it will take some time to get these answers. For me, I am cautious. I am willing to wait and see what happens with the other states. I know it may be a little different because Colorado has recreational use. I hear how much money Colorado has, but again, we have to look at it as Colorado has both medical and recreational uses. We are just looking at medical, so we cannot be looking at the number that Colorado has. I have no clue what our Hawai'i number is, and then I have no clue how much it will trickle back down to the County and what it is going to cost us. Again, it is not prohibiting medical use of marijuana. It is just saying, "Hey, let us take a step back on this dispensary thing." I have family that went through chemo. I know they tried to use medical marijuana. When you are that sick, I am all for whatever is going to help them feel comfortable because I have seen people in a really bad state and I would not want to be in that situation. I am for whatever will make them feel comfortable. As far as the dispensaries, I am cautious and I do not think we need to rush. Ultimately, I think the best result is to sit back and let everybody else figure out the issues, and then once they have it figured out, we say, "That system looks great. Maybe it is something that Hawai'i would like to do." Then we can consider it. Right now, I think there are a lot of question marks. For me, I will be supporting the Resolution.

Council Chair Rapozo: Thank you. Anyone else? Councilmember Chock.

Councilmember Chock: Thank you, Chair. This is a very heated topic and it is hard when you have your friends and pastors up here telling you what they think about it and yet, I think philosophically for me, when I look at this from the seat, I think about yes, I can get a card because I have a bad back, but the truth is that the laws are contradicting each other. The problem is that I cannot buy it and feel comfortable. I kind of recall back to when my grandfather was

suffering from cancer and he went through the same thing. He kind of made jokes about, "Yes, I am an outlaw now," or whatever because he was suffering and he needed to access it. It is a difficult one. Again, philosophically I think we suffer most from the things we fear. My approach would be a little bit different on this Resolution. I think that from the standpoint of supporting what I feel like is inevitable in terms of where the direction of this bill is headed, but being very proactive in that approach to ask for specific regulations. For the amended version, I really agree with almost all of the points that we are asking for in this Resolution. I know most of them are addressed, but there are a few concerns in here that also kind of make me want to create further amendments on it. The one about zoning, I think, is really important and yet, it is not stated quite that way with the Home Rule principle. I think the one about the constitutional rights is important and I think it is important to keep it here on the island with local residents. I think that we are kind of treading on some new territory or dangerous territory. As I said, the majority of them, I would move forward in supporting if we could change some of the language in terms of how we approach the Resolution overall. The word "opposing" to me is not really where I want to go, but rather send the message to our State Legislators that we definitely need to take our time with this, and that we request that there are stronger considerations that we need to take into consideration, specifically for our own island that we want to be able to have some control and being able to regulate how it is that we do it. I think the further we run away from this, we do not address the issues. I am a huge prevention advocate and I think that this is part of what this prevention mindset really goes to, which is how it is that we can create rules and regulations and stronger considerations within our system, so that we do not come into negative consequences with our youth. So at this time, I will not be supporting this Resolution. I think that for me, it is a very complex issue and I would probably want a lot more time and effort on it in order to support it wholeheartedly. Thank you, Chair.

Council Chair Rapozo: Thank you, Councilmember Chock.
Councilmember Hooser.

Councilmember Hooser: Thank you, Chair. I am not going to be supporting the Resolution. I think the conversation has been kind of outside the parameters of the bill that is in front of us. This is not about legalization of marijuana, recreational use, or not about Colorado; it is about medical marijuana, which has been the law since, I think, 2000. So that is fifteen (15) years. It is about people who legally are permitted to use marijuana as medicine and have no legal way to get it. The only way to get marijuana for your medicine is to break the law, initially. You can grow your plants, and then worry about people stealing them, worry about the police coming over, raiding your house, looking for your permit, and counting your plants. There is no way for someone to take their medicine like every other civilized person takes their medicine in our community. You cannot go down, get your pill, and take it and go home. You have to grow it or buy it illegally. The question about ninety-seven percent (97%) are getting their marijuana...I am sure that is true, but the vast majority of them have to conduct in an illegal manner in order to get that. It has been the law of the land for fifteen (15) years. I agree that we should not rush into it, but I do not think fifteen (15) years is rushing into it. I think we can learn from the states that have done it in the past. It is clear that the bill says "no candy, no cookies," and it is clear that the bills both specify that there will be specific amounts of THC labeled. To throw out there that this is going to be about cookies and candies does not reflect the intent of the bills that are in front of us. The intent of the bills also clearly says that the stores will not be around schools, homes, communities, and parks. I can go on and on and we can debate

marijuana forever, and our State and our Nation has been doing this for God knows how long...I think it is clear that the war on drugs has failed. I do not see this as a positive step to continue preventing people who legally are able to take their medicine, preventing them from having a way to legally get that medicine. So I will not be supporting this measure and want to acknowledge that this is still a work in progress. There are still two (2) bills. We still have almost a month as they work through the process and they are getting all kinds of public testimony as we discuss this today. Thank you.

(Councilmember Yukimura is noted as present at 3:23 p.m.)

Council Chair Rapozo: Thank you. Anyone else? Councilmember Kualii.

Councilmember Kualii: Thank you, Mr. Chair. I thank you for bringing this forward and for all of the information that you have shared. I agree with you that we, as a Council, representing our people by this Resolution should let the State Legislators know that we have concerns with the track that they are on and that we would like to see them have regulations for the safety of our people. I do definitely see this as a public safety issue, although I am compassionate towards even one (1) Kaua'i resident having difficulty accessing the legitimate use of medical marijuana, so I do hope that something can be done to help those six (6) individuals who have difficulty in accessing their medical marijuana at this time. I do not think that currently there is a large scale, legitimate need for dispensaries of this kind. I appreciate the testimony we have heard from our Police Chief, our Prosecutor, and the Mayor by way of our Life's Choices Kaua'i Coordinator, Theresa Koki. I also have written testimony from Joseph Savino, who is our Kaua'i Drug Court person, and he provided a position statement from the National Association of Drug Court Professionals. I do think that this is something we should be doing at this time and it is easy for me to support this. Thank you.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I just wanted to add another note that former councilmembers, and now our representatives in the Senate and House of Representatives: Senator Kouchi and Representatives Kawakami and Tokioka have also told me that they oppose the current House and Senate bills. They gave me their word that they would be voting no. I have not spoken with Representative Morikawa unfortunately. I just wanted to share that our Kaua'i Delegation is pretty solid in opposing those bills, but again, it is still up in the air as the House especially is almost tied at this point. Thank you.

Council Chair Rapozo: Thank you. Any other discussion?

Councilmember Yukimura: I guess I better say something.

Council Chair Rapozo: Yes. I am going to speak last and there will be no more after me, so if you have something to say, say it now. Thank you.

Councilmember Yukimura: I do not think that is according to our rules.

Council Chair Rapozo: You can challenge that, JoAnn. We are not going to go down that road again.

Councilmember Yukimura: Anyway, nobody can say that we avoid hard decisions. I want to apologize for not being present. I was working on the Wailua-Kapa'a traffic corridor solutions/issues as the Transportation Committee Chair of this Council. I have not actually spent time to really look at all the issues. Thank you for the testimony. I have tried to read most of them that have come via E-mail. I do not think I am actually qualified to vote on this issue because I believe it is quite complex. I guess I am going to stand on a philosophical basis, which I believe that medical marijuana should be available to those who need it and the process by which it would be made available needs to be carefully crafted, and that is a legislative responsibility and *kuleana*. I know there are a lot of pros and cons on this particular bill, but I think I am going to come down on not supporting the Resolution, just because I think the access should be there for those who need it.

Council Chair Rapozo: Anyone else? If not, unfortunately I used up my twenty (20) minutes, so I cannot speak anyway. But I would ask if someone would yield two (2) minutes. Thank you, Councilmember Chock. I just want to say that this is a huge move forward for the State to do. This is a major bill that will affect the entire State. I am not sure about you, but I did not hear about them here. They did not come to Kaua'i. They did not have a community meeting. They did not get public testimony. They got it at the State Capitol. They did not come to Kaua'i. The whole people come when they talk about the habit expansions and they have all their meetings around the island. Where was our State Legislature? I am not just talking about our delegation; I am talking about the State Legislature as a whole. When you are dealing with a bill like this that is going to have some major impacts or potential major impacts—I, as a legislator, would want to hear from the people. We never had that opportunity. That is why this Resolution is here today. Wherever the vote falls, it falls. I do not take any of this personally, but the people have a right to voice in on these kinds of big, major movements going forward. "A work in progress," I think is what Councilmember Hooser called it. He is exactly right. This is a work in progress, but I am not going let our island be the guinea pig. I am sorry. The negative impacts that could happen to our kids and generations...California...we were all excited when they created the medical marijuana dispensaries all up and down LA. I was at the training that Mr. Iannucci talked about earlier. It did not take long...they were trying to figure out, "How can we 'un-ring' this bell? How can we now take away our right that we gave these people?" We need to learn from those mistakes. That is all I am saying. We need to explore all of the positives, negatives, and let the people decide. Are willing to risk the potential negatives for the sake of what? I still think that the money is driving the Legislature; not the six (6) people on Kaua'i or the few people that need access, and I think we need to address that and address that through the medical channels. If they go to the doctor and the doctor prescribes them medical marijuana, then we need to have a clearinghouse somewhere that they can go and say, "Hey, we have to match up a caregiver with a patient," a one-on-one match up. That is how you resolve that issue. You do not use a sledgehammer to kill an ant. That is what they are trying to do and I am not going to stand for that. With that, thank you all for being here today. I appreciate your testimonies. We need to take a vote on the amendment.

The motion to amend Resolution No. 2015-37 as circulated, as shown in the Floor Amendment which is attached hereto as Attachment 1 was then put, and carried by the following vote:

FOR AMENDMENT:

Chock, Kagawa, Kaneshiro, Kualii,
Yukimura, Rapozo

TOTAL – 6*,

AGAINST AMENDMENT:	Hooser	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion.)*

Council Chair Rapozo: Okay, now we are back to the main motion.

The motion for adoption of Resolution No. 2015-37, as amended to Resolution No. 2015-37, Draft 1, was then put, and carried by the following vote:

FOR ADOPTION:	Kagawa, Kaneshiro, Kuali'i, Rapozo	TOTAL – 4,
AGAINST ADOPTION:	Chock, Hooser, Yukimura	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: Thank you very much. The motion passed. Thank you everybody. Five (5) minute recess.

There being no objections, the meeting recessed at 3:34 p.m.

The meeting reconvened at 3:43 p.m., and proceeded as follows:

Council Chair Rapozo: The meeting is called back to order.
Madame Clerk.

LEGAL DOCUMENT:

C 2015-118 Communication (03/27/2015) from the Director of Economic Development, recommending Council approval of a License Agreement with the Kaua'i Economic Development Board (KEDB), a non-profit Hawai'i corporation, for a portion of property described as the Kaua'i War Memorial Convention Hall in Lihue, Kaua'i, Hawai'i, being a portion of Royal Patent 4480, Land Commission Award 7713, Apana 2, Part 1 to V. Kamāmalu, to assist KEDB in leveraging future funding and grant assistance for the development of the Kaua'i Creative Technology Center (CTC), which will be operated as a community gathering place for arts and creative technology.

- License Agreement

Council Chair Rapozo: Thank you. We left off with some issues with the License Agreement that has been rectified, I believe. A motion was already taken, so we are now in discussion for the motion to approve. Councilmember Kaneshiro.

Councilmember Kaneshiro: I would like to put in one additional change into this lease.

Council Chair Rapozo: Go ahead.

Councilmember Kaneshiro: The change would be that in Section 24(a) regarding the sub-licensee, we have it be approved by somebody in the County, I would say the Finance Director, just so that someone in the County can see who the sub-licensee is.

Council Chair Rapozo: Any discussion on that? Councilmember Hooser.

Councilmember Hooser: I will support that. We discussed it briefly during the break with the Deputy County Attorney. While I have the floor, there were other suggestions, changes, and concerns that I had, which the new version reflects in a positive way, many of those concerns.

Council Chair Rapozo: Okay. I do not anticipate a problem with the added language that any sublicense agreement would be approved by the County. I will suspend the rules with no objections.

There being no objections, the rules were suspended.

Mr. Jung: Deputy County Attorney, Ian Jung. That would be fine.

Council Chair Rapozo: Okay.

Councilmember Yukimura: I have a question.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: So I see in that same Section 24(a) that we are attaching the Creative Technology Center business plan, but that is only as a demonstration of intent and concept, not binding the parties to the details of the plan, right?

Mr. Jung: That is correct. The plan is eighty-eight (88) pages long, so it is going to be quite a thick document, but it is pretty broad in nature in that it talks about community gatherings, arts, and education. I think it would fit within the concept of demonstrating the intent.

Councilmember Yukimura: Okay, but nothing in this is causing us to bind the parties to the details of the plan.

Mr. Jung: That would be correct. I spoke with Mr. Tang about that and he was of the same opinion based on the language.

Councilmember Yukimura: Okay. So anybody reading it ten (10) years from now will know that.

Mr. Jung: Correct.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Thank you. Any other questions for the County Attorney? If not, thank you, Ian.

Mr. Jung: Just for clarification, the way I perceive the process to occur is if the action is taken on it with the amendment, then the Council would give the authority to have the County Clerk execute or would you like the matter to come back?

Council Chair Rapozo: No, my plan is to have the...we are going restate the motion and have a new motion made that will state that condition that the amendments will be added in, and then brought to the Clerk for signing. It will not have to come back.

Mr. Jung: Okay. Thank you.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: I am sorry for being such a stickler in this, but do we not need language that says clearly that the details are not part of the agreement? The details of the business plan?

Mr. Jung: To me, the word "demonstrated" is kind of a broad word, so I think it would encapsulate the intent of what the business plan is trying to achieve. The idea here is that they have to be consistent with what the goal is and what the vision is to have an arts and educational forum that would be open to the general public. So I think it would be comprehensive to include quite a number of things that the business plan discusses and not the details.

Councilmember Yukimura: Okay. If it is ever in question, people can look at the minutes of this meeting, as well.

Mr. Jung: Correct.

Council Chair Rapozo: Thank you. Any other questions for the Deputy County Attorney? If not, thank you. I will call the meeting back to order. I would ask that we withdraw the first motion and second and Councilmember Kaneshiro can restate the new motion.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kualii withdrew his motion to approve C 2015-118 and Councilmember Yukimura withdrew her second.

Council Chair Rapozo: Thank you. Councilmember Kaneshiro.

Councilmember Kaneshiro moved to approve C 2015-118 with the conditions to add an amendment into Section 24(a), which requires the sublease to be approved by the Director of Finance, and that the revised License Agreement be substituted in place of the initial License Agreement that was attached to the agenda as part of C 2015-118, seconded by Councilmember Chock.

Council Chair Rapozo: Okay. The motion is to approve with the addition of that language. Did you get that, staff?

Ms. Fountain-Tanigawa: Yes, and that we would be substituting this revised License Agreement in place of the one that was on the agenda.

Council Chair Rapozo:

Okay. Councilmember Kagawa.

Councilmember Kagawa: Mr. Chair, I think this is a time for celebration. I have heard many plans and ideas that come up, and I am glad that I am involved in a vote that will turn into fruition. When I think back of comparable projects, I think of the Waimea Technology Center. When KEDB spearheaded that, I think the question was, "Wow, can Waimea support that kind of business and can it benefit the community and create good jobs?" It did exactly that. They said they were going to try and tie it in with the Pacific Missile Range Facility (PMRF) and they were successful in generating businesses that supported the operations of PMRF and creating some great engineering type of jobs, high-tech jobs for our local people, and it brought in some new people that turned local. I look at this Creative Technology Center and I think of what Serge said at the beginning, when we had the plan before us. He talked about how many opportunities were lost because we did not have this type of facility that can bring in new business, more film, music, and what have you. We have very talented musicians and actors. I really feel like this is an opportunity that the future of Kaua'i can build upon and create new hope and new jobs. So I am very excited today to support something new. Is it one hundred percent (100%) going to work? Nothing is one hundred percent (100%) going to work exactly as we see it, but I have confidence that this project will work. We have strong staff with Susan there at KEDB and I think the plan that they have...I think the members of Congress and our Representatives are going to be supportive of this type of project and that is where I think the money needs to come from. Without this agreement, they cannot secure the funding and they cannot make it happen. I am really, really happy today and thankful to all involved that has made this happen. We will go from here. I think we just need to keep supporting them. One could say that the future of Kaua'i really is brighter today by this type of decision because we are opening up more opportunities for our community and our *keiki*. *Mahalo*.

Council Chair Rapozo:

Thank you. Councilmember Kualii.

Councilmember Kualii: Thank you, Mr. Chair. I too, want to join Vice Chair Kagawa's excitement and celebration in this, and I am committed, as the Chair of the Economic Development and Intergovernmental Relations Committee, to support this Creative Technology Center every step of the way. Thank you.

Council Chair Rapozo: Thank you. Councilmember Yukimura. I am sorry. I saw that smile, so I thought you wanted to say something. Go ahead, Councilmember Chock.

Councilmember Chock: I am just going to share real quick, Chair, my congratulations in getting us this far and to the team. I am very excited for the possibilities and love the creative aspect of what we are trying to do here and the potential for it to make a huge impact on Kaua'i in the future of our leaders and the economy. I know that you are not asking for anything from the County, but you can expect that you do have our support and anything else we can contribute.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: I too, just want to congratulate you. Earlier this morning when we were thinking of maybe pushing it back to Committee, I was thinking, "Wow, I think this might be..." It is not very often on big items like

this...I think all seven (7) of us would agree that we want it to move forward, so I was thinking, "I do not think it will need to go to Committee." We could not agree on the agreement, but I know we could agree in concept that we want it to move forward, so I was thinking maybe we need to propose something that says we all agreed to get the license moving forward once we were comfortable with it, but I am glad that we are able to do it now. Congratulations on your efforts and I congratulate the Council on just being able to look this over. It is a long amendment and I think in the short period of time we had it, I think everyone worked hard on it and is comfortable with it. Thanks.

Council Chair Rapozo:

Thank you. Councilmember Hooser.

Councilmember Hooser: I just want to thank everyone also. It is a great movement forward. I want to especially thank the County Attorney's Office for working and being patient, listening to our concerns, and taking action on them right away and allowing us to pass this forward. Thank you very much. To the Kaua'i Economic Development Board and all your partners, thank you for the hard work you have done. I think we all should go in with an open mind. This is a partnership. It does not stop here. It is not like we are just turning it over. This will be tightly tied to the County. As you go looking for Grant-In-Aids or whatever support from the Legislature...those that in fact compete with our needs, we are going to be working on this together. I am happy to see that the County continues to work outside the box that many people put the County in. Our responsibility is not just about police, fire, and roads. Today we were talking about a State issue. Economic development is not typically one of our responsibilities, but we are bold enough to look at how we can help our community and I think we should continue to do that and we should do it in the area of agriculture and in other areas where it is our responsibility. It is where the "rubber meets the road." People count on us to do this work. I think we need to recognize that they do count on us and we need to do it just like we are doing here, stepping outside of our box, being creative, and stretching out a little bit to help the people in all areas where the State and Federal government is perhaps not doing their job. Thank you.

Council Chair Rapozo:

Thank you. Councilmember Yukimura.

Councilmember Yukimura: I agree with Vice Chair Kagawa that this is a very exciting moment and it is due to the wonderful people that have guided this project through. I want to acknowledge the Mayor, our Economic Development Director, and our Managing Director, who played several roles in this. I want to really thank KEDB for finding the consultant. The procurement of a good consultant—not good, but a brilliant consultant, is key to a successful project and KEDB and Susan Tai Kaneko in particular has shepherded this project through first identifying the consultant, then supporting the consultant, and helping them, Alan, into the community, and then removing obstacles wherever they may have come. Finally, this project is so reflective of Alan Tang, whose background, acumen, openness, and ability to bring together a community, and connect them and inspire them and put forth their talents has been so instrumental in what we have before us today. I cannot thank you all enough for this work. This is one more step forward. There are many, many more steps, but it feels so right and good. The siting work that was done looked at all the possibilities. It did not just choose one place and stick with it, but really looked at all, and then found the best site that is going to, with some work—and I am so proud of the Council that has tried to forecast the issues that we have to deal with carefully, that it is going to really be a "win-win" for the Convention Hall, for the County, for our young people, for the film

industry, and all the potential film workers for business and our arts people. It is a wonderful project and the support around this table is evidence of the widespread support. Thank you.

Council Chair Rapozo:

Councilmember Kagawa.

Councilmember Kagawa: I just wanted to add that I do not want to be a person that they say “only mouth” or “*waha*,” but I did mention before that I was so excited back when we first heard the project and I remember the work that Mattie Yoshioka put into it. I thought that once that building is done, that we think about naming it after her or if we do not have the votes at that time to formally name it after her, at least if we can do a plaque of some sort on the building. I think that is something I would be pushing for. Thank you, Chair.

Council Chair Rapozo: Thank you. I see all the heads nodding, so I am assuming that you will put that in somewhere, at least a plaque, I think—there is no doubt about it. Mattie is sorely missed and she did put a lot, a lot of work into this. Anyone else? Again, I think a lot has been said. George and your team and Mr. Tang—incredible...you are just good at what you do. I will just end it at that. Susan, you were here, then you left and you came back, and you are here to be here today and that is a good thing. Thank you to everybody that put it together. I want to especially thank Councilmember Hooser and Councilmember Kaneshiro for raising the concerns and of course, Mr. Jung. Did he leave already? Thank you to him for taking the time and working with you on the break, so we can get rid of this today. I appreciate all of your work. Of course, to the staff. There are a lot of people I see like Sue Kanoho in the back there nodding her head as well. I appreciate all that everybody does. A few years ago, I remember sitting right there and Councilmember Nakamura, at the time, proposed money in the budget. It was just around this time, budget time, when she wanted to do some CEDS. I had no idea what the heck a CEDS was and she talked about it, and JoAnn remembers this, and I was like, “What is that?” She is a new Councilwoman and she is asking for hundreds and hundreds of thousands of dollars for CEDS. She was nice about it, so I think I supported it. Then we started to get the results from the CEDS and this is one of them. Again, being the realist that I am, thinking “it is a great thought, and that we will talk about it and it will probably end up on a shelf.” It is such a wonderful project. Then the next thing I know, we were asked to set up a meeting with Mr. Tang who was there to discuss it and it was this incredible plan. Wow. There was a lot of work that went into that. Again, I was real skeptical that we could get it done. I remember the last meeting we had, you said, “We really need the land. Once we get the land, we can move forward.” Here we are today. Obviously, the Administration, the Mayor, Parks, and everybody that put this thing together, so we can be here today. *Mahalo* to them. I am excited like Ross and all of us here today. There is really not much here for the kids. There is the Police Department or Fire Department...not saying that that is not much, but not everybody wants to do that. There is the hotel industry of course...a great industry. But our kids today grow up with a different mindset. They want to do these things. They all have video phones and they are editing. Just in the last two (2) weeks, I have been interviewed twice by people with school projects and they just setup their iPhone, do the interview, and then they go back and edit and add music. I am thinking that this is a perfect opportunity for these kids that can stay and learn how that is done. I watched the news and saw Jason Momoa on Mauna Kea. He is protesting and giving back to the community. Jason is calling all his Hawai'i movies stars like Dwayne Johnson and all these guys to come and help us, and I am thinking, “How many Momoas are there here on Kaua'i that totally missed that

boat because they were never exposed?" It was so far-fetched, "I do not want to go to New York and Chicago. I just want to be..." But how many of them will get exposed here? I just think it is a great thing and I am really, really excited. You have done a lot already, but I guess my challenge to you is to hurry up and get that thing going. With that, roll call.

The motion to approve C 2015-118 with the conditions to add an amendment into Section 24(a), which requires the sublease to be approved by the Director of Finance, and that the revised License Agreement be substituted in place of the initial License Agreement that was attached to the agenda as part of C 2015-118 was then put, and carried by the following vote:

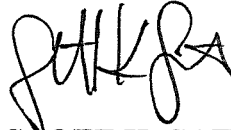
FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: Thank you very much. Motion carried. That will end today's agenda. We will convene in Executive Session in five (5) minutes. BC, you are done for the day. Thank you very much. Thank you all.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:03 p.m.

Respectfully submitted,



SCOTT K. SATO
Deputy County Clerk

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(April 8, 2015)

FLOOR AMENDMENT

Resolution No. 2015-37, relating to Opposing HB 321 (Medical Marijuana) and SB 879 (Marijuana)

Introduced by: ROSS KAGAWA (By Request)

Amend Resolution No. 2015-37 in its entirety as follows:

“RESOLUTION OPPOSING HOUSE BILL NO. 321, AS AMENDED,
RELATING TO MEDICAL MARIJUANA, AND SENATE BILL NO. [879,] 682,
AS AMENDED, RELATING TO MEDICAL MARIJUANA

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

WHEREAS, Act 228, Session Laws of Hawai‘i 2000, enacted Hawai‘i’s medical use of marijuana on June 14, 2000, to provide medical relief for seriously ill individuals in the State. The law recognizes the beneficial use of marijuana in treating or alleviating pain or other symptoms associated with certain debilitating illnesses, but is silent on how patients can obtain medical marijuana if they or their caregivers are unable to grow their own supply; and

WHEREAS, House Bill No. 321 [establishes] and Senate Bill No 682, both introduced during the Regular Session of 2015 of the Hawai‘i State Legislature, would establish a system of medical marijuana dispensaries and limits on the amounts that can be purchased; [prohibits] prohibit counties from enacting zoning regulations that prohibit the use of land for licensed dispensaries; [clarifies] clarify the right of qualifying patients and primary caregivers to transport medical marijuana; [establishes] establish various criminal offenses to protect against unauthorized access to dispensary premises, distribution of marijuana to minors, diversion of marijuana, and alteration or falsification of dispensary records; [authorizes] authorize any licensed physician, rather than only the primary care physician of a qualifying patient to issue a written certification; and [appropriates] appropriate funds; and

[WHEREAS, Senate Bill No. 879 establishes a civil violation subject to a fine of one hundred dollars (\$100) for intentional or knowing possession of one ounce or less of marijuana; and amends the offense of promoting a detrimental drug in the third degree to clarify that the offense applies to the “knowing” possession of more than one ounce of marijuana; and]

WHEREAS, as part of the federal United States drug policy, the Controlled Substances Act (CSA) regulates the manufacture, importation, possession, use, and distribution of certain substances; and

WHEREAS, marijuana remains classified as a Schedule I substance under the CSA, where Schedule I substances are considered to have a high potential for dependency, have no accepted medical use in treatment in the United States, and lacks accepted safety protocols for use of the substance under medical supervision; and

WHEREAS, pursuant to federal law, marijuana production, distribution, and possession are prohibited; and

WHEREAS, marijuana trafficking remains a source of violence, crime, and social disintegration; and

[WHEREAS, the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, County of Maui; Police Department, City and County of Honolulu, Police Department, County of Hawaii; Coalition for a Drug-Free Hawaii; and Hawaii Family Advocates have submitted testimony opposing Senate Bill No. 879; and]

WHEREAS, the Hawai'i Police Department, Honolulu Police Department, Maui Police Department, Alternative Pain Management Puuhonua, LLC, and the State of Hawaii Organization of Police Officers have submitted testimony opposing House Bill No. 321[; now, therefore,]; and

WHEREAS, the Department of the Prosecuting Attorney, City and County of Honolulu; Honolulu Police Department; Maui Police Department; Hawai'i Police Department; Alternative Pain Management Puuhonua, LLC; and numerous individuals submitted testimony opposing Senate Bill No. 682; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII, that it opposes House Bill No. 321, as amended, [Relating to Medical Marijuana,] RELATING TO MEDICAL MARIJUANA, and Senate Bill No. [879,] 682, as amended, [Relating to Marijuana.] RELATING TO MEDICAL MARIJUANA.

BE IT FRUTHER RESOLVED, that should the Legislature decide to [adopt] enact House Bill No. 321, [as amended,] Senate Bill No. 682, or any other bill or amendment thereto proposing the establishment of a medical marijuana dispensary system, that [it] the legislation require:

- 1) All licenses to grow or sell marijuana be restricted to Hawai'i residents who can demonstrate a minimum of two (2) years of residency;
- 2) Once commercial licensed growers are producing and dispensaries are selling marijuana, home-grown cultivation and production must be banned;
- 3) Both the growing and selling of marijuana should be regulated in a "closed system" that ties a cardholder and proscribed limitations to a specific grower/retailer;
- 4) Counties must be given the opportunity to restrict or prohibit the growing or selling of marijuana under the home rule principle;
- 5) Funds must be provided for County [and State] Law Enforcement and County marijuana abuse prevention and treatment programs and services;
- 6) Providing marijuana to minors should be treated similar to the offense of promoting liquor to a person under the age of twenty-one (21), as established in Hawai'i Revised Statutes § 712-1150.5;
- 7) Limit licenses to grow and/or sell to Hawai'i registered [non-for-profits or sustainable business corporations;] non-for-profits, as required in other states such as Arizona, Delaware, Maine, Massachusetts, Missouri, New Hampshire, New Mexico, Rhode Island, and Vermont;
- 8) Explicitly prohibit any medical marijuana reciprocity provision between Hawai'i and other States and Countries;
- 9) Any medical marijuana program should be a pilot program with a sunset [date.] date of no later than July 1, 2020;
- 10) Include a member of the Kaua'i County Council on any Medical Marijuana Advisory Committee established pursuant to the legislation;
- 11) Prohibit the use of flammable solvents to extract tetrahydrocannabinol from marijuana plants;
- 12) Specify that each license allows acquisition, possession, cultivation, manufacture, transfer, transport, delivery, supply, and dispensing of medical marijuana only in a county for which it is granted;

- 13) Require dispensaries to operate and maintain a real-time software system of accounting for the total amount of medical marijuana, including the equivalent physical weight of marijuana used to manufacture manufactured marijuana products, that a qualifying patient and primary caregiver purchase from all dispensing locations in the State;
- 14) Prohibit dispensaries from commercial advertising and selling any products other than medical marijuana and manufactured medical marijuana products;
- 15) Establish procedures for medical marijuana dispensaries to destroy or dispose of marijuana products that exceed authorized amounts;
- 16) Prohibit the distribution of medical marijuana to minors who are not registered qualifying patients;
- 17) Prohibit diversion from a dispensary;
- 18) Prohibit the alteration or falsification of medical marijuana dispensary records; and
- 19) Allow law enforcement access to dispensary records under certain conditions.

BE IT FURTHER RESOLVED, that copies of this Resolution be sent to members of the Hawai'i State Legislature and Governor David Y. Ige."

(Material to be deleted is bracketed. Material to be added is underscored.)
(V:\Amendments\2015\4-8-2015-FA Medical Marijuana-RK-AO_lc.doc)